Daily Report

Latin America

FBIS-LAT-94-127
Friday
1 July 1994

Daily Report
Latin America

FBIS-LAT-94-127 *1 July 1994*

CONTENTS

NOTICE TO READERS: An Ω indicates a Foreign Media Note.

CARIBBEAN

Cuba

Closure of Haitian 'Concentration Camps' Demanded *[Havana TV]* 1
Minrex Issues Statement on Embassy Occupation *[Havana Radio]* 1
Commentary Discourages Occupations *[Havana Radio]* 1
Robaina Enroute From Caracas Caribbean Meeting *[Havana Radio]* 2
Robaina Views Creation of Caribbean Association *[Havana Radio]* 2
Pedro Ross Greets Mexican Solidarity Delegation *[Havana Radio]* 2
Mexican Ambassador Visits Batabano for Ceremony *[Havana Radio]* 2
Canadian Envoy Emphasizes Ties, Friendship *[Havana Radio]* 2
Economic Cooperation Accord Signed With Turkey *[Havana Radio]* 3
PRC, Vietnamese Economic Openings Being Studied *[Havana Radio]* 3
Castro on Protection of Family Doctor Program *[Havana Radio]* 3
Castro Participates in Congress *[Havana Radio]* 4
Health Minister on Medicine Distribution Plan *[Havana TV]* 4
'Straight Talk' Views Efficiency Assemblies *[Havana Radio]* 5
FAR Commander, Risquet Tour Tank Facilities *[Havana Radio]* 6
Havana Residents Facing Water Shortages *[NOTIMEX]* 7
Commentary Emphasizes Need for Sugarcane Recovery *[Havana Radio]* 7
Havana Province Completes Sugarcane Planting *[Havana TV]* 8
New Prices Set for Workers Cafeterias in July *[Havana Radio]* 8
Students Graduate in Villa Clara With Military Rank *[Havana Radio]* 8

Dominican Republic

Balaguer Warns of Risk of 'De Facto Government' *[Madrid EFE]* 8
Pena Vows To Fight if Balaguer Proclaimed President *[NOTIMEX]* 9

Haiti

Cedras 'Might Agree To Resign' in October *[Port-au-Prince Radio]* 9
Aristide Endorses Governors Island Agreement *[Port-au-Prince Radio]* 9
Police Fire Warning Shots at Refugees; 40 Drown *[Madrid EFE]* 10
Political Party Formed, Demands Aristide's Return *[Madrid EFE]* 10
K-16 Front Urges 'Mobilization' *[Port-au-Prince Radio]* 10
Jonassaint Government Threatens To Revoke Airline Licenses *[AFP]* 11
FRAPH Calls New U.S. Sanctions 'Diabolical' *[Port-au-Prince Radio]* 11
Bertin Campaigns Against Return of MINUHA *[Port-au-Prince Radio]* 11
Refugee Official Explains Plight of Citizens *[Port-au-Prince Radio]* 12

Jamaica

Patterson To Participate in Barbados Meeting *[Kingston Radio]* 12

MEXICO

Zedillo Regrets Cuba's Exclusion From Miami Summit *[Madrid EFE]* 13
Zedillo: Violence Does Not Reflect Crisis in PRI *[Mexico City TV]* 13
Roundup of Electoral Developments *[Mexico City TV, etc.]* 13
Correction to PRD Candidate Presents Economic Program 14

CENTRAL AMERICA

Guatemala

Assassination Plot Against President Uncovered *[AFP]* 15
Suspect Identified *[Guatemala City Radio]* 15
Foreigner Tied To Plot *[ACAN]* 15
Army Suspends Military Recruitment for 6 Months *[NOTIMEX]* 15

Nicaragua

Former Contras Leave CIAV-OAS Headquarters *[NOTIMEX]* 16
Leave Colombian Embassy *[NOTIMEX]* 16
Two Arrested for Leading Occupations *[Hamburg DPA]* 16
Court Dismisses Murder Case Against Army Chief *[BARRICADA 30 Jun]* 16
EPS, Police Compete Over Antidrug Struggle *[LA PRENSA 25 Jun]* 17

Panama

Endara Denies Country To Be Used To Invade Haiti *[LA PRENSA 30 Jun]* 17

SOUTH AMERICA

Argentina

Constitution To Include Federal Revenue Sharing *[NOTICIAS ARGENTINAS]* 19

Bolivia

Sanchez de Lozada Outlines Economic Policy *[PRESENCIA 25 Jun]* 19
Presidency Minister Discusses Political Career *[HOY 29 May]* 20
Justice Official Views Crisis, Need for Reform *[LOS TIEMPOS 20 May]* 22
Eje Pachacuti Responds to Government Accusations *[LOS TIEMPOS 19 May]* 23
Palenque Discusses CONDEPA's Opposition Role *[HOY 15 May]* 24
Opposition Bloc Seeks To Define Role *[HOY 23 May]* 26
Roundup of Economic Reports *[EL MUNDO 24 Jun, etc.]* 27

Brazil

President Announces Implementation of Real *[Rio de Janeiro TV]* 27
Electoral Campaign Roundup *[AGENCIA ESTADO, etc.]* 28
Platform, Style of New CUT President Discussed *[ISTOE 25 May]* 29

Chile

Ecologists Advocate Bilateral Trade With U.S. *[Madrid EFE]* 33
Roundup of Economic Reports *[EL MERCURIO 16 Jun, etc.]* 33

Colombia

High Court Rules Prosecutor General Must Retire *[Santa Fe de Bogota TV]* 34
Possible Candidates Named *[Santa Fe de Bogota TV]* 34
Gaviria 'Harshly' Scolds Finance Minister *[Santa Fe de Bogota TV]* 34
Government Offers Aid to Venezuela in Crisis *[Madrid EFE]* 35

Ecuador

Crisis Affecting Center-Left Analyzed *[VISTAZO 19 May]* 36
Decade of Labor Conflicts Analyzed *[EL COMERCIO 25 May]* 37

Peru

Roundup of Economic Reports *[EL PERUANO 20 Jun, etc.]* 39

Uruguay

Roundup of Economic Reports *[BUSQUEDA 23 Jun, etc.]* 40

Venezuela

Decree 248 Places Financial System Under State Control *[Caracas Radio]* 40
Text of Decree 248 *[EL UNIVERSAL 30 Jun]* 41
Caldera Asks Legislative Blocs To Back Reforms *[Caracas Radio]* 42
Finance Minister Discusses Emergency Measures *[Caracas TV]* 42
Government Appoints Financial Emergency Board *[Madrid EFE]* 43
Financial Reforms Commissioner Reportedly Resigns *[Caracas Radio]* 43
Former Coupist Chavez on Caldera Measures *[EL NACIONAL 29 Jun]* 44
IDEC President Issues Warning to Speculators *[Caracas Radio]* 44
Superintendency Reports on Financial Assets *[AFP]* 44
Agriculture Official on Dollar Stabilization *[Caracas Radio]* 45
Workers Group Criticizes Size of Subsidies *[Caracas Radio]* 45
Increased Trade With Colombia Reported *[Hamburg DPA]* 45

Cuba

Closure of Haitian 'Concentration Camps' Demanded

FL3006105194 Havana Cuba Vision Network in Spanish 0000 GMT 30 Jun 94

[Text] The U.S. Government is to reopen its temporary refugee camps at Guantanamo Naval Base in order to handle the growing exodus of Haitians to the United States. According to the plan, the refugees will arrive between 30 June and 12 July when the Turks and Caicos Islands processing station will begin operating.

Cuba has internationally demanded the closing of those veritable concentration camps at the Guantanamo Naval Base.

Over the past few days, the U.S. Coast Guard has intercepted over 2,600 Haitians who have left their country aboard flimsy vessels. The White House has asked ousted President Jean-Bertrand Aristide to urge his fellow citizens to remain in Haiti. Aristide responded, however, that he cannot ask that of them because Haiti is like a house on fire.

Minrex Issues Statement on Embassy Occupation

FL0107005794 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Jun 94

[Text] The Ministry of Foreign Relations [Minrex] of the Republic of Cuba issued a note regarding the entrance of Cuban citizens into several diplomatic quarters in the capital. In the communique, the Minrex points out that on 28 May, approximately 100 [un centenar] Cuban citizens entered the Belgian Embassy; on 13 June, approximately 20 people used a stolen truck to break down the garage door of the German Embassy; and two days later, another group of nine citizens penetrated the Chilean Consulate. The note points out that the objective of these attempts was to use that means to travel abroad. As is well known, these actions are promoted from abroad for the purpose of political propaganda. In any of these cases, those involved are not victims of political persecution and are generally denied visas from abroad to travel legally.

The Cuban Government has reiterated that the entrance into diplomatic missions or consulates is not only a violation of Cuban law, but the principles protected by the international lawss of the Vienna Conventions on diplomatic and consular relations, that Cuba, as host country, is obliged to enforce.

For that reason, the note adds, the Cuban Government categorically ratifies that it will never authorize the departure from the country of people who have forcefully penetrated a diplomatic quarter even if they later abandon the quarter. The note adds that the only option these people have is to leave the respective diplomatic quarters passively and return to their homes without legal action being taken against them.

The Minrex note highlights that Cuba has taken this position only to demonstrate its good will toward the governments of those diplomatic missions in which these Cuban citizens are located, and to facilitate the most expedient solution to the problem.

Commentary Discourages Occupations

FL0107005294 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Jun 94

[Commentary by journalist Nancy Aimee Gomez for the "National Radio News"]

[Text] All individuals who still occupied the Belgian ambassador's residence in Havana unconditionally left the facilities this morning. The Cuban Government reasserted its unwavering position from the very beginning, in facing this type of pressure. No one will ever be able to leave the country by using force and violating Cuban and international laws. This should be clear to those who brandish economic, family, personal, and other types of problems when trying to find illegal methods of leaving the country.

The last attempts, at the Chilean Consulate, the German Embassy, and the Belgian ambassador's residence truly reflect the type of individuals who let themselves be manipulated by the siren call of imperialist propaganda.

There are still 21 people in the German Embassy; they have not understood that this is not and will never be the method by which to leave the country, whatever their reasons. The Cuban Government facilitates matters for those who want to leave the island, but laws cannot be broken. In this we must be determined, serene, and resolute not only because of its legal significance but also because it is our basic duty to protect diplomatic facilities in Cuba.

Those who wish to leave should demand that they be received in that paradise they imagine, where immigrant visas are denied daily to hundreds of people who wish to use legal means to travel, temporarily or permanently, to the United States. On the other hand, the United States welcomes like heroes those who illegally abandon the country. Calm analysis, intelligent action, and a resolute manner have yielded results in this conflict. Those who continue with their mistaken attitude now have another opportunity to think and to assume the only appropriate attitude. This lesson should serve all who might let themselves be duped by the propaganda that inspires these incidents from outside the country. Cuba will never give in to blackmail, pressure, or violence. That is not the path, and it is well known that he who starts out on the wrong path never reaches his destination. Those who spend every waking minute in Miami figuring how to slander and weaken the Cuban Revolution have also learned another lesson: Their plans have failed because, apart from intelligence and composure in resolving problems, people on this island do not allow themselves to be drawn by imperialism and its slaves' instigation campaigns; so they close ranks around their leaders, even in

these difficult times. Once again, they expected a bargain, but came out losers instead.

Robaina Enroute From Caracas Caribbean Meeting

FL0107014694 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jun 94

[From the "Exclusive" program]

[Text] Cuban Foreign Minister Roberto Robaina is currently on his way from Caracas to Havana. He will return to the capital this evening after participating in an extensive work program in the Venezuelan capital. Caribbean Basin countries in Caracas approved the agreement to create an association that will unite them for the first time. The agreement will be signed on 24 July, Simon Bolivar, the liberator's, birthday. Robaina and 30 foreign ministers and representatives from territories in the subregion actively participated in the preparation of final documents that had previously been drafted by experts.

The Caricom summit that will be held early next week—on 4 July in Barbados—will elect the country to host the ceremony for the creation of the Association of Caribbean States [ACS]. The ACS will have a council of ministers and a secretariat as permanent entities, and their headquarters will be located at a still undetermined nation in the zone.

Cuba, as Foreign Minister Roberto Robaina pointed out, will sponsor economic integration, free trade, and the region's coordinated participation in multilateral forums.

Robaina Views Creation of Caribbean Association

FL3006142694 Havana Radio Rebelde Network in Spanish 0900 GMT 30 Jun 94

[From the "Doing Radio" program]

[Text] Foreign Minister Roberto Robaina underscored the importance of the upcoming creation of the Association of Caribbean States [ACS] in Barbados. Robaina is in Caracas taking part in a preliminary meeting of the Caribbean association.

Robaina stressed that Cuba has scientific, technical, and cultural achievements to be shared with Caribbean nations. Robaina added that through the association, the Caribbean region's voice will be heard throughout the world as well as promoting the possibility of finding opportunities for economic, social, cultural, and all other types of trade. Robaina emphasized that constituting the ACS is a decision of the Caribbean nations alone, without the influence of anyone.

The association will promote economic integration, trade liberalization, investments, and the participation of the Caribbean nations in multilateral forums. The association will be formed by 25 [as heard] nations and 11 dependent territories which amass 200 million inhabitants, which represent a gross national product of $500 million and have a yearly capacity for foreign trade of $180 billion.

Pedro Ross Greets Mexican Solidarity Delegation

FL3006165994 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 94

[From the "First Thing" program]

[Text] Politburo member Pedro Ross Leal greeted a large delegation of the Mexican solidarity group, Go for Cuba that arrived in Havana. The group flew from Mexico with a significant donation consisting of fuel, medicine, and food.

Rodolfo Echeverria, member of the coordinating commission of the solidarity group, underscored the fact that this was the third campaign organized. He said it had attained great success in Mexico. Echevarria added that in spite of the current situation in Mexico, the ties of friendship with Cuba have not decreased, but on the contrary have been multiplied by the Mexican's contribution to the Cuban Revolution.

Mexican Ambassador Visits Batabano for Ceremony

FL3006165394 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 94

[From the "First Thing" program]

[Text] Mexican Ambassador Carlos Tello has stressed the excellent and affable relations between Cuba and Mexico during a visit to Batabano [Havana Province]. Tello took part in the ceremony of homage for Juventino Rosas, outstanding Mexican musician and composer of the world famous Waltz Over the Waves, who died in Batabano a century ago.

Canadian Envoy Emphasizes Ties, Friendship

FL0107011194 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Jun 94

[Report by Marta Angulo for "National Radio News"]

[Text] The creation of joint enterprises, timely humanitarian aid, and smooth relations in the scientific, sports, and cultural sectors prove Canada's friendly attitude toward Cuba, which is considered not only a friend, but also a partner in the hemisphere.

These statements were made by Canadian Ambassador Mark Entwistle in a ceremony that the Cuban Friendship with the Peoples Institute [ICAP] sponsored yesterday to mark the 127th anniversary of this strong, young nation—the largest on the American continent and the second largest in the world.

The acknowledgement speech was given by Rolando Gonzalez Tellez, first vice president of ICAP. In addition to Canadian Embassy officials and members of the Cuban solidarity organization, the event was attended by a delegation of students from the Simon Frazer University in Vancouver who participated in this summer's agricultural activities in Cuba.

Economic Cooperation Accord Signed With Turkey

FL3006105294 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Jun 94

[From the "Exclusive" program]

[Text] The Cuban and Turkish Chambers of Commerce have signed a cooperation accord in Ankara geared to expand trade and economic and industrial collaboration between Cuba and Turkey. This accord was signed by the vice presidents of the two institutions (Mehmet Dildirin) and Porfirio Mederos, head of the Cuban delegation visiting Turkey.

The accord calls for information exchange regarding the economic development of both nations, as well as investment legislation and other topics that will foster relations between the two countries.

The signing of this accord marks the beginning of the broad agenda the Cuban delegation will follow during its visit to Turkey. The Cuban delegation will meet with businessmen, industry and tourism investors, and travel agency representatives.

PRC, Vietnamese Economic Openings Being Studied

FL3006165294 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 94

[From the "First Thing" program]

[Text] In Beijing, during a symposium on bilateral cooperation, Cuba affirmed that it is studying the valuable experiences in the area of economic opening put into practice in the PRC and Vietnam, two nations determined to continue fortifying their socialist systems.

Castro on Protection of Family Doctor Program

FL0107012694 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jun 94

[Report by Eva Alvarez and Mariela Diaz from the Convention Palace in Havana; live—passages within quotation marks recorded]

[Text] The commander in chief has presided over the historic, first family medicine congress since early this afternoon and, as announced in the headlines, he was given a diploma as founder and creator of the family doctor and nurse plan. Public Health Minister Julio Teja addressed the event's closure and asked the commander in chief, on behalf of the delegates, to address the plenary session. Fidel recalled the days when the family doctor and nurse plan was created, as follows:

[Castro] "I was touched when the diplomas and stamps were given out because I remembered the days when the first 10 doctors began at the [word indistinct] Polyclinic, and when the first doctors began... [pauses] they were also doctors but they were not directly in charge of the population. Instead, they studied the program that had been prepared. They studied and trained as family doctors at the polyclinics. There were two small groups—I recall one was here in Havana and another one in Sancti Spiritus. It was not a single group; it was two groups, it was two groups. [repeats] Where? [unidentified speaker murmurs in the background] Well, in two places.

"I remember when we began the experiment with the doctors in the mountains because we conducted tests before going full steam ahead with this program. We wanted to test it; we wanted to see what happened. Therefore, we met constantly with the 10 doctors, and we asked them to tell us what happened, what was happening, how much confidence people had in them, if they were treated with consideration, if they were appreciated—or if the people went to the polyclinic and the hospital. Based on the work carried out by those 10 doctors, we were able to observe that the population had welcomed them with enormous interest."

Delegates attending the first family medicine congress attentively followed Commander in Chief Fidel Castro's address at the closure of this meeting. Fidel, who founded the family doctor and nurse program, recalled how quickly the community doctor earned the people's acceptance.

[Castro] "It was obvious since the beginning that the people welcomed the family doctor with confidence. They no longer went to the polyclinic. In fact, one of the serious problems we had at the time was that no one trusted the polyclinics. They knew that personnel with more experience, meaning the professors, were at the hospitals. The hospitals' outpatient facilities were crowded. Based on that experience, we saw that instead of going to the polyclinic, the people went to visit the family doctors."

Commander in Chief Fidel Castro also confirmed that no capitalist mechanisms will be allowed into the Cuban health system.

[Castro] "I sincerely believe and am firmly convinced that we should never allow the introduction of private medical practice into Cuba or the polyclinics, hospitals, or any of those institutions because it would be incompatible. It would be the introduction of capitalist elements we have previously mentioned. There are two sacred things, two sacred achievements that should be maintained at all costs and under any circumstances, just as we developed and created them—the right to health and to education."

Castro Participates in Congress

FL0107023494 Havana Cuba Vision Network in Spanish 0000 GMT 1 Jul 94

[Report by Gloria Ugaz for the "NTV" newscast]

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, today presided over the closing session of the First Family Medicine Congress at the Convention Palace. The session on family medicine's role in the special period was presided over by the commander in chief. The essential role of the family doctor and nurse has been to study and identify health problems in their area and, based on this, provide a solution at community level. The afternoon session included a review of the experience gathered in urban and rural areas, education and labor centers, daycare centers, and others.

[Begin recording] [Castro] The definite idea was for us to have enough general practitioners in the future to permanently send them to the mountains. This also entails convincing a sufficient number of apostles [laughter] to permanently go to the mountains and stay there. Nevertheless, your idea is original. It means that those comrades who want to become general practitioners must also state their willingness to remain permanently in the mountains?

[Unidentified speaker] Well, most of them are willing to do so. Why? Because three or four of this group are from the mountains.

[Castro] Oh, all right.

[Unidentified speaker] They have studied medicine at the Faculty of Medical Sciences in Granma but they are from there—precisely from that zone.

[Castro] All right. That is very good because I know many people who came from the mountains never returned once they walked on paved streets. [laughter] That is all right, but a definite decision must be made one day or else they will have a hard time. Family doctors faced many problems in the mountains, first of all because the people lived all over the place. In Havana, you find a family doctor on every block; everyone lives close to a polyclinic. They can practically walk to the polyclinic—but communication problems are tremendous in the mountains, which we know quite well. When you walk from one valley to another, from one neighborhood to another, sometimes you have to walk for hours.

Everything was difficult back then. I remember when we discussed things with De la Torre [not further identified]—what equipment they should have in the mountains, what kind of medicine they should have in the mountains, because what you could solve at a polyclinic in the city could not be solved at the polyclinic in the mountains. Everything was always more difficult over there. Nevertheless, it is encouraging to know you have developed those ideas and sought new ways, and that there are companeros who are not from the mountains... [pauses] I also know many people who grew up in cities with paved streets and went to live in the mountains.

[Unidentified speaker] That is my case.

[Castro] I do not know if you were born in the mountains.

[Unidentified speaker] No.

[Castro] You come from a city with paved streets.

[Unidentified speaker] Yes.

[Castro] Yet you support the idea. See what I mean? We need more people like you, capable of assuming a resonsibility like that. [end recording]

Participants also reviewed research carried out with the use of herbal medicine in rural areas, based on the peasants' support and experience; results achieved with acupuncture; and, above all, the importance of sponsoring the health program with the support of the people's councils to prevent diseases, accidents at home, and in the workplace; to reduce suicidal tendencies and alcoholism, among other health problems; and to successfully increase a family's income with housework.

Health Minister on Medicine Distribution Plan

FL3006105394 Havana Cuba Vision Network in Spanish 0000 GMT 30 Jun 94

[Interview with Public Health Minister Julio Teja by Maribel Acosta at the Renaldo Gutierrez Enterprise, date not given—passages within quotation marks recorded—from the "NTV" newscast]

[Text] Public Health Minister Julio Teja announced that as projected, Cuba will begin experiencing an improvement in medicine distribution beginning this month.

[Teja] "The effect of the improvement was to be seen from 1 June on, and the intention was to continue improving the situation, the top goal being essential medicines and distribution card medicines. We also want to gradually improve the situation with the rest of the 1,200 medicines.

[Acosta] "What is behind this? Will more medicines be imported, will national production increase, or will there be improvements in distribution?

[Teja] "It is due, first of all, to the beginning of the arrival of raw materials and certain medicine bottles that we bought from the PRC as seen in the assembly here at the Renaldo Gutierrez enterprise. Many products have been imported from the PRC. There have also been financial and transportation difficulties. We are solving them through commitment, effort, and work by all of us."

Teja added that in order to have medicines available, the monthly production has to surpass 7 million pesos. In May, 6 million pesos' worth of medicines were produced. Teja stated that this figure points to the recovery

in medicine production which is dependent, above all, on the arrival of raw materials. He added that there is a shortage of approximately 300 medical products in Havana. Yet, he stressed that the most important thing is to ensure that every production reestablished not wane again. Teja added that the medicine plan is now entering its second phase.

[Teja] "The second phase consists of an effort to improve pharmacy procedures and to create more pharmacies to relieve certain drug stores in heavily populated areas, as well as others linked to hospitals, family doctor offices, etc."

Teja reiterated that the population will see a gradual improvement in the availability of essential medicines and a significant improvement in herbal medicine products, although nothing like before the special period.

'Straight Talk' Views Efficiency Assemblies

FL3006125794 Havana Radio Rebelde Network in Spanish 1600 GMT 27 Jun 94

["Straight Talk" program with host Osvaldo Rodriguez of BOHEMIA magazine and guest Renato Recio of the newspaper TRABAJADORES]

[Text] [Rodriguez] The assemblies for economic efficiency, do they work or not? I believe that like anything new, the assemblies for economic efficiency have, of course, a positive, obvious side. Among the analysts of these assemblies, to somewhat describe all those among us who dare following the assemblies—as you know every Cuban is a street corner reporter, a commentator—there are those who question the long-term value for the economy of this type of collective effort or whether the economy requires central leadership at every workplace, which is a managerial decision to be decided upon by the workers. What is your opinion?

[Recio] I believe that there is no contradiction at all between a responsible, centralized management and a work team and the assemblies for efficiency. As you have mentioned, I am a union movement reporter and in this capacity I get to attend many assemblies. On the contrary, I feel certain that the best friend of a good manager, the best friend of a strict manager, the best friend of a creative manager has to be this act of democracy, these workers' assemblies which analyze the results and pledges that must be met in order to meet labor obligations. I say this in all sincerity. I believe that certain people are skeptics because they are naturally pessimistic. Some people are skeptical about the success or failure of the economic efficiency assemblies because they have a technocratic or bureaucratic mind set. In other words, they are the type of people who look at social or economic processes as the result of mechanisms and formulas, of command and controls, vertical management of processes, and centralized administration.

[Rodriguez] You are missing one more instance. There are those who are skeptical because—I believe you must know this quite well—during a certain period the union processes and work fell into dormancy, as in the case of the renowned production and services assemblies. Many believe that all that has been done is to change the name of the assemblies. I do not believe it is a matter of changing the name. I believe the essence of the assemblies has changed. Those production and services assemblies, which began in a very aggressive manner, lost their impetus. I believe this should not be allowed to happen now. Perhaps, there a some skeptics who we might described as being well intentioned.

[Recio] That is right. I never dismiss that. What you are saying is interesting. Why did the production and service assemblies lose their impetus? For the same reason as the economy management system, which coincided with its peak. You might remember that in 1975 as the economy management and planning system began to gain force, the union movement created this production and service process. At that time, it was believed that the economic analysis and everything else related to the management system was going to undergo a process of constant improvement of the Cuban economy. Yet, in practice we saw it had implementation problems which ended in the rectification process in 1986, 1987. The union movement and its production and services assemblies participated in that process. This was followed by the special period, the collapse of socialism, and we decided not to reinvent socialism but at least recreate, adapt, change, and modify it to the current global situation. As part of that goal, we are reinventing and reformulating a system of workers' participation in the management operation and decision-making processes.

[Rodriguez] I believe your point is very good. Although I do not mean to play the devil's advocate, I believe, however, that to answer the question of the viability or not of the efficiency assemblies, I believe the fact that they do work is clear and there are specific examples. Therefore, let us work on those cases where it does not work.

I believe management does not welcome these assemblies with open arms at every workplace because this type of assembly has proven to be highly critical of negligence, stagnation, and inefficient management. Therefore not every manager welcomes them. Thus, I think that in those places where management does not welcome them, the management is not overly concerned with fostering a quality economic efficiency assembly.

[Recio] It is clear that a management that is inefficient through its own fault, due to a lack of talent and lack of a sense of responsibility, cannot be particularly pleased with the existence of these forums where the workers analyze and demand answers and solutions. I believe this is not the case with the majority of management. I believe the majority of management is aware that this process of democratization of the workplace can help them. Either that or they have become aware that they cannot overlook the workers. There is also the union which demands, regardless of the management's will,

that the assemblies be held and a quality report be presented, that solutions be presented, and that pledges made to the workers be fulfilled.

We spoke a while back of the past and mistakes made in the past regarding the production and services assemblies. The best thing about mistakes is that we can learn from them. The lesson of those assemblies was that, first of all, the top people responsible for the workplace were not always present; that at times people in charge of other levels of the administration with ties to a workplace would not attend, although summoned; that the report presented by management was weak and lacked cohesion, was sketchy and was at times long, tedious, and incomprehensible; that management would not present a true economic analysis of the problems; that management would not bring forth three, four, five, or one, or two points on which to focus; and finally, that management did not comply with the basic duty of fulfilling through truth and action the suggestions of the workers.

I said earlier that the union cannot allow this to happen. Anywhere there is a manager of the type you described, which can be the case, there has to be a union capable of changing things. The workplace belongs to the workers. The workers are the owners of this country. The workers are the owners of production. The manager is simply a man or woman who has been given the job of representing the workers. The workers are the manager's boss.

I will repeat what you mentioned at the beginning. This does not absolve the administrator of responsibility; on the contrary, it lays full responsibility on his or her shoulders.

[Rodriguez] I believe that your explanation is convincing. I would like to ask you, however, or perhaps these inefficient managements or workplaces where workers might face such a situation: What is the role of the union in these cases?

[Recio] I would like to present a positive version of this issue so as to specifically answer the question of whether the assemblies work or not. I have attended many assemblies. I have even seen opinion pools conducted by the union movement. I believe that most of the workplaces are experiencing a process of reactivating will, or a subjective reanimation in the search for efficiency. Also, there is a significant drop in absenteeism, unjustified expenses, and in certain sectors there are unmistakable signs of a productive reanimation in response to these assemblies.

In general, management is becoming aware that they would be dismissing an outstanding opportunity to strengthen their work if they dismiss the possibility of putting together a good assembly where the people can speak, reason, and discuss. This is a great opportunity for the management to incorporate the invaluable collective talent of our workers. Our workers are an educated work force, an intelligent work force, a work force politically committed to action.

Management and the union movement are aware of this. The rest are the exceptions. Those slow, backward managers who do not get involved in this are becoming a minority. Anywhere where that minority takes hold and fosters passivity, inertia, ineptness, and ignorance, the union has to call for change. We cannot tolerate a revolutionary manager in Cuba who does not understand the importance of fostering the workers' opinions, suggestions, and involvement in the affairs of their workplace.

[Rodriguez] I have noticed that the workers do not make great demands. The workers simply call for control, efficiency, perhaps, better administration of the resources, some may ask for better working conditions. I do not believe the workers are not asking the impossible, on the contrary, they help the management. This is why I think, as you do, that an intelligent, able manager is one capable of incorporating the wealth of his workers experience. It is a fact that the production wisdom lies with our workers. Do you agree, it is not the great scientists, but our workers who labor from day to day?

[Recio] This is obvious. The modern management system in the world, despite immense technological developments, is based on the premise that the greatest economic potential lies with the workers.

FAR Commander, Risquet Tour Tank Facilities

FL0107015794 Havana Cuba Vision Network in Spanish 0000 GMT 1 Jul 94

[Report by German Veloz and Ricardo Gual for the "NTV" newscast]

[Text] High-ranking officials and FAR [Revolutionary Armed Forces] commanders, as well as a group of national journalists, toured an outstanding Eastern Army unit in Holguin Province. A large Eastern Army tank unit has been given the title of model unit after fulfilling the parameters established to achieve this high category. This is only possible when adequate attention is paid to the weapons and technique—such as in this case, where they are perfectly well protected inside kms of tunnels. The weapons and men are in a high state of combat readiness.

During the tour carried out by Division General Ramon Espinoza Martin, chief of the Eastern Army; Jorge Risquet, member of the Communist Party of Cuba's Central Committee; and national media directors and local journalists, they were able to ascertain how the FAR faces the shortages that are a result of the special period.

FAR members constantly strive to save fuel and all kinds of material resources. Evidence of this was observed at the experimental range for the use of agricultural byproducts, basically sugarcane straw. Eastern Army fighters operate this complex here. They manufacture sugarcane straw briquettes for consumption in stoves and broilers, as well as charcoal. Chemical products,

including light and heavy oils, thinner, acetone, medicine, etc. will be manufactured in the future. This is the only briquette maker operating within the FAR. Its specialists constantly improve their inventive, creative abilities.

We have observed high discipline and combat morale in the Eastern Army units, which guarantee that they will keep the victorious machine gun carried by Camilo [Cienfuegos]. This trophy is awarded on a rotational basis and the Central and Eastern Armies are currently vying for the right to receive it.

Havana Residents Facing Water Shortages

PA0107035994 Mexico City NOTIMEX in Spanish 1805 GMT 27 Jun 94

[Text] Havana, 27 Jun (NOTIMEX)—Water shortages in several Havana municipalities are creating yet another discomfort for the population, which is facing frequent power blackouts and food and transportation shortages.

"A difficult situation exists in terms of the water supply in several areas in the capital," the Cuban Workers Federation (CTC) said on Monday in a broad analysis of the crisis affecting Havana's most populated areas.

Since the beginning of the month, men, women, and children have been carrying containers of water from distant places, especially in Centro Havana, Vieja Havana, 10 Octubre, Cerro, and Plaza Municipalities, which add up to some 900,000 inhabitants.

The weekly publication TRABAJADORES, a CTC organ, attributes the water shortage to "alarming waste" by state enterprises and in private homes in this city of slightly more than 2.1 million people.

The CTC was replying to some reports among the people that blame the crisis only on the pump problems, electric power interruptions, the drying up of springs, and water being detoured to hotels with international tourists.

"It is true that all of these factors are helping worsen the crisis," the CTC spokesperson said, but primarily, "it is being caused by the alarming waste attributable to leaks."

"There is negligence, carelessness, conformity, and indolence," the CTC said when criticizing Havana's Water Works Directorate for its inability to ensure the proper use of water and its "resistance" to allow the report to be prepared.

"I get the impression that there is resignation in the face of the inevitable loss of water," the CTC spokesman said, adding that this is not a new problem, because "for months water has not reached many places, and for many years it has been wasted all over the capital."

Guillermo Jimenez, deputy director general of Havana's Water Works Directorate, said there is a daily shortfall of more than 95,000 cubic meters of water in the two primary springs that supply the capital.

Jimenez estimated that leak losses amount to 40 percent of the 11.7 million cubic meters of water the people receive on average over the course of a month—"a figure to which another 9 million cubic meters needs to be added, which is intended for state consumption."

The official said that to solve the problem, the whole system needs to be revamped, including pipes, pumps, and the entire Havana water distribution system.

"But the cost of this would surpass $1.5 million which, as we all know, would be difficult to cover at this time," Jimenez said, adding that most of the pump installations date back to 1930.

The water shortage is taking place at a time when temperatures are unusually high for early summer in Cuba and when most of the citizens are walking great distances because of transportation shortages.

Commentary Emphasizes Need for Sugarcane Recovery

FL0107020594 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Jun 94

[Commentary by BOHEMIA magazine journalist Luis Sexto for the "National Radio News" program]

[Text] The issue of recovery in the sugarcane sector is being mentioned incessantly. A basic definition of this term indicates that to recover means to again acquire what has been lost in one way or another. In other words, our plantations have lost value, weight, and sweetness so the volume of crystallized sugar manufactured in the past two years has been much smaller than the amount manufactured in previous years. What are the reasons? They are evident. No one can fail to understand that the special period's severity has hurt sugarcane. The sugarcane fields have lacked water and fertilizers for three years; thirst and malnutrition rule Cuba's vast sugarcane fields. There can be only one answer in intelligent terms—replenish the raw materials and sow new seeds in our soil so the sugarcane fields can recover their lost splendor with minimal water and nutrients.

Sugarcane farmers are under an obligation to the nation. It is true that sugarcane grows and fattens with water and chemical products, but it is equally true that it grows and fattens with constant care, rigorous sowing, and meticulous tending; and sowing and tending are eminently a human task. The country is now working hard on the spring planting and this operation involves a great deal of morale and patriotism because the country is working for future harvests. The important thing now is to guarantee sugarcane for tomorrow, which means ensuring that the current decline and deterioration will not reoccur.

The sugarcane industry is still foremost in our economy. Sugarcane mill chimneys are a distinctive part of Cuba's rural scenery—and justifiably so. The need for sugar increases everyday in the world, and Cuba knows how to manufacture sugar. It has an accumulation of 400 years of experience and knowledge and material resources worth $100 billion. So the sugarcane sector's recovery is, in a certain way, the country's recovery.

Havana Province Completes Sugarcane Planting

FL3006105094 Havana Cuba Vision Network in Spanish 0000 GMT 30 Jun 94

[From the "NTV" newscast]

[Text] Havana Province has once again come through by completing its spring sugarcane planting program — comprising over 760 caballerias—three days ahead of schedule. This is one of the best planting campaigns in the history of the province. Everything is now geared toward maintaining the human and material resources to ensure the continuity of the tasks: weeding, tending, and fertilization.

This was announced by Candido Palmero, first secretary of the Communist Party of Cuba, and Alfonso Velazco, Sugar Industry Ministry representative in Havana Province. The most important thing right now is to work toward guaranteeing the next harvest and increasing the planting density while maintaining the best balance in terms of varieties.

[Begin Velazco recording] This allows us to guarantee the growth already attained with this harvest and also guaranteeing that at least the production levels will not drop, and that the province has the conditions to continue growing. [end recording]

In the past few years, Cuba has not met its planting program. Havana Province has met its goals four years in a row and the results are obvious in the sugarcane fields and grinding.

New Prices Set for Workers Cafeterias in July

FL3006151794 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 94

[From the "First Thing" program]

[Text] In July, new prices will be implemented at the workers cafeterias in Cuba. This will permit the elimination of the state's subsidies to those centers, which is over 100 million pesos yearly.

The National Secretariat of the Cuban Workers Federation has stressed that increasing what is offered would be an additional means of covering the costs of the workers cafeterias.

Students Graduate in Villa Clara With Military Rank

FL0107021994 Havana Radio Reloj Network in Spanish 1958 GMT 30 Jun 94

[Text] Approximately 248 students of the Felix Varela Higher Educational Institute in Villa Clara will graduate with the ranks of sergeant first- and third-class, and reserve second lieutenants.

Dominican Republic

Balaguer Warns of Risk of 'De Facto Government'

PA3006223994 Madrid EFE in Spanish 2027 GMT 30 Jun 94

[Text] Santo Domingo, 30 Jun (EFE)—Dominican President Joaquin Balaguer today warned opposition presidential candidate Jose Francisco Pena Gomez about the risk of a de facto government taking over the country if the electoral crisis continues.

Balaguer took issue with Pena Gomez's claims that thousands of military personnel and dead people voted in the 16 May elections. Pena blamed the ruling Social Christian Reformist Party (PRSC) for these electoral irregularities.

Referring to Pena Gomez's allegations of electoral fraud against his candidacy, Balaguer said: "On behalf of our friendship and the respect that he deserves, I am hereby addressing myself to him to ask that he be more cautious."

Balaguer added: "I am aware that all of us depend on the preservation of democracy. If this electoral process fails, and if we tread into the uncertain territory of authoritarian governments," both leaders—Balaguer and Pena Gomez—will see their political lives sacrificed.

Balaguer asked Pena Gomez to unite his forces to maintain the democratic system.

Balaguer labeled Pena Gomez's comments about votes being counted from dead people and military men as "rash remarks." He added: "The Central Electoral Board surely laughed at these remarks and regarded them as the statements of a madman."

The president denied military personnel had voted because "they cannot," adding that they do not have "the necessary documents to do this."

Balaguer also denied Pena Gomez's claims that the names of the dead had been listed as PRSC supporters on voter lists. Balaguer said such a claim is nonsense. He admitted, however, that the post-electoral situation has half-paralyzed the Dominican economy and that the productive sectors are concerned over the situation and are demanding a solution as soon as possible.

The elections in the Dominican Republic were held on 16 May, but there is still no official winner. According to

official figures, however, Balaguer is ahead of Pena Gomez by 30,000 votes—a lead of just more than 1 percent.

Pena Gomez, however, claims "an electoral coup" has been staged as part of "a colossal fraud."

Pena Vows To Fight if Balaguer Proclaimed President

PA3006132194 Mexico City NOTIMEX in Spanish 2207 GMT 29 Jun 94

[Text] Santo Domingo, 29 Jun (NOTIMEX)—Jose Francisco Pena Gomez, principal opposition candidate of the Dominican Revolutionary Party (PRD), warned today that he will fight President Joaquin Balaguer if he is proclaimed president of the Dominican Republic. If the Dominican Central Electoral Board (JCE) proclaims Balaguer the winner of the 16 May elections, "that government will be fought through every means and every circumstance," Pena Gomez told a local television station.

The politician, who came in second in the presidential elections, announced that he presented to the JCE and the international vote counting commission "new evidence" of the electoral fraud denounced by his party. Since the day of the elections, Pena Gomez has charged that at least 200,000 PRD members were fraudulently excluded from the voter lists to favor Balaguer, who barely managed to obtain a 30,000 vote margin of victory.

The evidence includes a list of approximately 4,000 soldiers and policemen, who voted illegally during the elections; another list includes the names of hundreds of deceased persons who apparently also "voted," he added. Pena Gomez' statements followed a reviewing commission's endorsement of the results announced by the JCE, which has yet to make an official announcement on the 16 May elections.

A preliminary bulletin issued on Monday by the commission appointed by the JCE to verify the voting results gave Balaguer's Social Christian Reformist Party (PRSC) a 30,000 vote margin of victory over the PRD. If an official result is confirmed, President Balaguer would be proclaimed victorious in his third straight consecutive government term and the seventh of his political career, despite the charges of fraud in the presidential elections voiced by the opposition.

The opposition still insists on a thorough verification of the total number of votes cast and of the tally sheets for the elections in which it alleges that at least 200,000 voters were deprived of the right to vote.

Haiti

Cedras 'Might Agree To Resign' in October

FL3006214494 Port-au-Prince Radio Metropole in French 1045 GMT 30 Jun 94

[Text] According to a high-ranking Army officer, General Cedras might agree to resign as head of the Army by the end of his mandate. This was reported in the 29 June edition of THE NEW YORK TIMES. The commander of the Haitian Army could therefore consider resigning in October, which is the end of his three-year mandate. Still, according to this high-ranking officer, this decision by Gen. Cedras would reflect the image of a strong leader who will not agree to bend under pressure.

Aristide Endorses Governors Island Agreement

FL3006222294 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jun 94

[Text] Exiled Haitian President Jean-Bertrand Aristide conducted an autopsy of the Haitian crisis, which is over 30 months old, during a news conference at the National Press Club in the United States this week. The president of the National Press Club, who introduced the Haitian president to the journalists in attendance, said that three years after he was ousted from power, the Haitian president still cannot return to his country. The question of his return remains the center of debates in the United States, he explained.

From the outset, President Aristide centered his message around the very perilous circumstances under which Haiti's native journalists are working. Each journalist is a satellite that converts information after he receives it. This information has nowadays become the fundamental element of modern life, said the 16 December elected president. The media and journalists can contribute to establishing democracy in Haiti.

About South Africa, the exiled Haitian president said that the struggles initiated by the Haitians of long ago favor the restoration of democracy in Haiti. How can we imagine that a man imprisoned for 27 years can accede to the presidency of a state dominated by a ferocious minority, he asked. President Aristide denounced the fact that the Clinton administration refuses to implement the new policy, considered last May, toward the Haitian refugees. He condemned the fact that several boat people repatriated to Port-au-Prince this week have been detained by the Haitian military. The refugee problem will never be solved so long as democracy is not restored to Haiti, which is now considered a house on fire, the Haitian president stated. About the Haitian crisis, specifically about a solution to this crisis, President Aristide spoke as follows:

[Begin Aristide recording, in English with simultaneous translation into French by announcer] We stand on the eve of the one-year anniversary of the Governors Island Agreement. The solution is not whether the agreement

can be implemented today to restore democracy to Haiti. The solution is how long it will take after these long years of interruption, which cost the lives of many persons, including the minister of justice. We are certain that with the political willingness of the international community, we will reach our objective. Democracy must be restored, not by military intervention, but by implementation of the Governors Island Agreement. [end recording]

Police Fire Warning Shots at Refugees; 40 Drown

PA0107045394 Madrid EFE in Spanish 0418 GMT 1 Jul 94

[Text] Port-au-Prince, 30 Jun (EFE)—At least 40 people drowned yesterday when Haitian Military Police opened fire. Police opened fire after coming across a boat filled with refugees who were trying to leave the country, eyewitnesses reported today, Thursday.

The sources said a small boat with three policemen on board approached the refugees' boat and surprised them Wednesday off Nan l'Etat, on the southern coast of Haiti. The policemen fired several warning shots into the air. Some of the people panicked and jumped into the water. Many of them drowned. Most of the victims were women and children from areas near Nan l'Etat, according to the witnesses.

Political Party Formed, Demands Aristide's Return

PA3006201194 Madrid EFE in Spanish 1908 GMT 30 Jun 94

[By Herold Jean-Francois]

[Text] Port-au-Prince, 30 Jun (EFE)—Almost 100 Haitian labor, political, and cultural groups have created a new party, which was announced today. Its goal will be to achieve the return of the constitutional order with the prompt return of President Jean-Bertrand Aristide.

The new group, called "16 December Democratic Field" (K-16) [Campo Democratico del 16 de Diciembre], will be headed by Evans Paul, the mayor of Port-au-Prince, and Turne Delpe, two of the founders of the National Front for Change and Democracy (FNCD), a coalition that led Aristide to power in the December 1990 elections.

Supporters of the K-16 participated in the news conference with signs and banners in French, English, and Creole demanding the resignation of Armed Forces Commander General Raoul Cedras.

Evans Paul said in the news conference that the K-16 will begin its political struggle today and immediately asked that Cedras step down from power. Paul and Delpe reported on the deterioration of the social and political situation in Haiti as a result of the "irresponsibility" of the de facto authorities.

"In view of all of the problems in the country and the threats of a foreign invasion resulting from the de facto government's policy, the first step toward a solution is the resignation of General Cedras," Paul said. The new political leader demanded the prompt return of the constitutional president, who was overthrown seven months after reaching power, and called on all Haitian groups to "return to reality."

"Only democrats can exercise democracy," the Port-au-Prince mayor said. Political observers believe the new group could be the political platform for the general elections of 1995 if the country returns to a constitutional order.

Paul is considered by progressive circles to be a potential candidate for the people's movement if a democratic process is initiated with the return of Aristide to power.

K-16 Front Urges 'Mobilization'

FL0107003194 Port-au-Prince Radio Metropole in French 1600 GMT 30 Jun 94

[Report by Rothschild Francois, Jr.]

[Text] The organization K-16 became official today at the initiative of Port-au-Prince Mayor Evans Paul. The K-16 movement seeks the resignation of the Army commander in chief as a solution to the crisis. Rothschild Francois reports live:

[Francois] Good morning! Today marks the official debut of K-16, the 16 December Democratic Camp [Kan Demokratik 16 Desam], led by Evans Paul and Senator Turneb Delpe. The Camp wishes to be a front for political unity favoring the restoration of constitutional order in Haiti through the return of President-in-Exile Aristide. The two spokesmen of the movement indicate that K-16 already includes 90 organizations, including RDC and the Christian Democratic Assembly.

In speaking to the press this morning, K-16 spokesmen tried to explain to supporters of the 30 September 1991 coup, to the current government, and to the military that the die is cast, that clearly the crisis must be solved as soon as possible, to repeat the words of Evans Paul. For K-16, the latest U.S. sanctions represent a message to all Haitians, a way to make them understand that they are all involved in the crisis and that they must respect their Constitution: If you do not respect the will of the people, how can you ask the international community to respect you, asks Evans Paul of K-16. K-16 recommends the following to solve the crisis:

[Begin Paul recording, in Creole] In light of all the hardships that the population is facing, in light of the great danger of foreign forces landing, and in light of a coup d'etat policy that the puppet president and de facto government that General Cedras and his acolytes are using to destroy the country, K-16 says that the first step toward a solution of the crisis is the resignation of Gen. Cedras and the return of President Aristide to the country. [applause]

K-16, lighting the flame of mobilization, asks all sectors in the country to be realistic. The basis of the solution to the crisis lies within the terms of the Governors Island agreement. K-16 is calling on all civilians and military, rich as well as poor, to unite to save the country before it is too late. K-16, addressing the demands of the people, reminds all the real partisans in the democratic sector that democrats make democracy. It is through real effort, solid unity, and principles that the democratic forces will succeed in establishing democracy in Haiti. [end recording]

[Francois] That was Evans Paul, one of the leaders of K-16, the 16 December Democratic Camp. It should be noted that during this news conference at the Christopher Hotel, some supporters of K-16 displayed posters saying: Cedras must go! We want democracy, We want President Aristide [as heard in English]. K-16 also called for respect for human rights in Haiti. Further details will be given in our later broadcasts on this news conference, the first held by K-16, led by Evans Paul and Senator Turneb Delpe, principal spokesmen for the National Front for Change and Democracy.

Rothschild Francois, Jr., from the Christopher Hotel for Radio Metropole.

Jonassaint Government Threatens To Revoke Airline Licenses

PA0107005494 Paris AFP in Spanish 2353 GMT 30 Jun 94

[Text] Port-au-Prince, 1 Jul [date as received] AFP—The government of provisional Haitian President Emile Jonassaint (not recognized by the international community), is threatening to revoke licenses in Haiti of those airlines which have suspended their flights to Port-au-Prince, it was officially announced on Thursday.

The National Civil Aviation Office of Haiti has informed the Panamanian airline Copa and ALM (affiliate of Royal Dutch Airlines KLM) that they should resume their flights to Haiti or risk having their licenses revoked.

FRAPH Calls New U.S. Sanctions 'Diabolical'

FL3006225494 Port-au-Prince Radio Metropole in French 1600 GMT 30 Jun 94

[Text] FRAPH condemns the latest U.S. sanctions against Haiti. The spokesman for the Armed Revolutionary Front of the Haitian People called the measures by U.S. President Bill Clinton to cancel the visas of all Haitians diabolical.

[Begin Emmanuel Constant recording] We suggest to the international community, especially the U.S. Government, that the ballot is the surest, most efficient means to true democracy, which we have all been seeking since 1986. While thanking former Prime Minister Robert Malval for his clear-mindedness in recognizing that Aristide can change at any time, we deplore the fact that Aristide dares speak publicly about the multiple dishonest transactions concocted on behalf of the vital institutions of this country: the Parliament, the Haitian Armed Forces, the private sector, and FRAPH.

We therefore urge all Haitians whose visas were canceled, Duvalierists, members of CAPDC [Committee for Patriotic Action and the Defense of the Citizen], the lavalas people, FRAPH members, all of you to rally around FRAPH and block the path to foreign invaders, and to tell President Clinton: Morituri te salutan [as heard in Latin], those who are going to die salute you. [he translates into French] [end recording]

Bertin Campaigns Against Return of MINUHA

FL0107000794 Port-au-Prince Signal FM Radio in French 1030 GMT 30 Jun 94

[Passages within quotation marks in Creole]

[Text] Attorney Mireille Durocher Bertin is campaigning against a possible return of the UN Mission [MINUHA] to Haiti. In a press statement, Attorney Bertin enjoins parliamentarians to do all they can to prevent the deployment of an armed international force on national territory.

[Begin recording] [Bertin] "I would like all the concerned sectors in Haiti to protest, especially the Haitian parliament, which should have its voice heard, by telling the foreigners that it had never ratified the MINUHA issue and that it never would ratify it."

[Unidentified correspondent] The Governors Island Agreement provided in Article 5 for the establishment of international cooperation through assistance in modernizing the Haitian Armed Forces. Attorney Bertin of the National Coalition condemns those who regard MINUHA as a kind of multinational force. Attorney Bertin prefers to interpret the spirit and the letter of the agreement signed last 3 July between General Cedras and President Aristide.

[Bertin] "This [not further identified] is not true because the Governors Island Agreement did not mention MINUHA or the UN military mission. What I know was included in the Governors Island Agreement was a matter of technical assistance for the professionalization of the Army. Technical assistance may involve about 20 or 30 civilian experts. That absolutely does not mean military personnel, much less arms."

UN Secretary General Butrus Butrus-Ghali took a stand on 28 May favoring possible reinforcement of MINUHA. According to high U.S. officials, UN forces might include as many as 14,000 men. Attorney Bertin calls this project a violation of the Haitian Constitution and laws.

MINUHA is opposed to the Constitution as well as the Haitian concept. It is a disguised form of modern colonization, Attorney Bertin adds. The UN Security Council created MINUHA last year. Demonstrators in Port-au-Prince compelled this mission to turn back on 11 October 1993. Former U.S. President George Bush had labeled this a shame for the star-studded power. The

United States wants a modification of the original MINUHA mandate. This modification might take place after mid-July.

Refugee Official Explains Plight of Citizens

FL3006233094 Port-au-Prince Radio Metropole in French 1045 GMT 30 Jun 94

[Passage within quotation marks in Creole]

[Text] On 29 June, 168 Haitian boat people to whom political asylum in the United States had been refused, were returned to Port-au-Prince yesterday afternoon. They were received by the authorities of the Haitian Red Cross. We questioned Mirlande Dorfeuille, who is in charge of the permanent secretariat for Haitian refugees, who tries to explain those clandestine trips to the United States.

[Begin Dorfeuille recording] "Right now, everybody is facing difficulties. If a person was surviving with ten cents before, now that person does not even have those ten cents. For instance, you see many mothers here with their children. Their problem is to find a way to survive and face their difficulties. The more the doors are closed, the more people will try to find a way to escape in order to find food and survive.

[Reporter Francois] "I notice that some people here today have crying children.

[Dorfeuille] "For instance, if you speak with the man here with the child who is crying, or this woman, and you ask them about their problems, they will tell you the same thing. They are looking for food, for a better life. There is no work. They cannot have a small business. All the doors are closed. They therefore need something that can help them survive." [end recording]

Jamaica

Patterson To Participate in Barbados Meeting

FL3006141294 Kingston RJR Network in English 0000 GMT 30 Jun 94

[Text] In a statement issued today [29 June] on the upcoming heads of government meeting to be held in Barbados in July, Prime Minister Patterson said the presence of Caricom [Caribbean Common Market] leaders in Barbados must be solely for (?the purpose) of Community business, and should not be regarded as an intrusion in the internal affairs of Barbados. He pointed out that the invitation by Barbados to host the next meeting was accepted in that form in the Bahamas last year, and by the (?principle) of location, Barbados also becomes the chairman of Caricom as of July 1.

The prime minister emphasized that it was not an individual, but a country which [words indistinct] designation, pointing out that Caricom had to deal with the administration in place, in fact, and in law. [Words indistinct] in Barbados [words indistinct] (?weekend) is therefore not an expression of favor [words indistinct] refraining from holding the meeting could equally be regarded as an expression of disfavor. A postponement of the meeting would not be in Caricom's best interests, he noted. Jamaica is therefore prepared to participate in the meeting, unless the host withdraws the invitation.

Zedillo Regrets Cuba's Exclusion From Miami Summit

PA3006145494 Madrid EFE in Spanish 0036 GMT 30 Jun 94

[Text] Mexico City, 29 Jun (EFE)—Institutional Revolutionary Party (PRI) Mexican presidential candidate Ernesto Zedillo today regretted Cuba's exclusion from meetings such as the summit of Latin American presidents that will be held in the United States in December.

In light of his candidacy, Zedillo refused to comment on the hemispheric meeting, but he regretted Cuba's exclusion and he pledged to reconsider that policy if he wins the elections.

Last Sunday, Zedillo announced his foreign policy plan. He said he would seek closer ties with the United States, Canada, and Cuba. He also said he would step up the struggle against drug trafficking on an international level.

Regarding the situation in Cuba, which has been subjected to a commercial blockade by the United States for the past three decades, the PRI candidate said that Mexico is "an important partner" for that country.

Zedillo denied the existence of a crisis in Mexico resulting from the violent acts that have taken place in the country this year, such as the Zapatist insurrection, the kidnapping of banker Alfredo Harp Helu, and the assasination of PRI candidate Luis Donaldo Colosio.

He said Jorge Carpizo's continued role as government secretary and the head of the Federal Electoral Institute, after having withdrawn the resignation he filed on Friday, will benefit the 21 August electoral process.

"He is one official who will do his duty with strict adherence to the law; his presence further guarantees that the people of Mexico will have a legal, honest and credible electoral process."

Zedillo: Violence Does Not Reflect Crisis in PRI

PA0107120594 Mexico City XEW Television Network in Spanish 0430 GMT 30 Jun 94

[From the "24 Hours" newscast]

[Text] In Mexico City, Institutional Revolutionary Party [PRI] candidate Ernesto Zedillo has said political uncertainty and violence in Mexico should not be interpreted as a crisis within either the government or the PRI.

[Begin Zedillo recording] These violent actions do denote a deficiency in our administration of justice. For this reason, in this campaign I am proposing a radical reform of our administration of justice. [end recording]

Asked whether it is fair for Televisa to devote more time to covering his campaign than is devoted to the campaigns of other candidates, Zedillo said this:

[Begin Zedillo recording] It will be necessary to study the substance of the campaigns. A few moments ago, I said I have made every effort to present clear proposals that confront the problems of Mexico. I think our party deserves greater coverage because of this. [end recording]

Roundup of Electoral Developments

PA0107044194

[Editorial Report] The following is a compilation of reports on developments related to the Mexican elections scheduled for 21 August.

PRI (Institutional Revolutionary Party) presidential candidate Ernesto Zedillo spoke in Mexico City on 22 June at a forum entitled "The Metropolitan Area: Building an Agenda for the Future." He outlined Mexico City's many problems areas—security, unemployment, transportation, housing, water, and environment—and he said the antidote is democracy. "We cannot attempt to impose on the people solutions formulated at the desks of bureaucrats," he said. Meanwhile, in Tepic, Nayarit, hundreds of women welcomed Zedillo by waving white handkerchiefs. They informed him of their economic and employment problems, to which he responded: "Some years ago, here in Nayarit, there were school breakfasts. I am told they no longer exist. I pledge to return here next year and once again set in motion a new program of school breakfasts in Nayarit." (Mexico City XEW Television Network in Spanish 0430 GMT 23 Jun 94)

Pablo Emilio Madero, presidential candidate of the National Opposition Union, held a meeting in Mexico City during which he signed the first of 15 pledges he will fulfill if he wins the elections. Madero announced that his first pledge is to combat impunity and corruption. "Impunity," he said, "must be eradicated because it is the cause of increasing crime." Speaking in a heavy rain, Madero said each of the candidates should outline their pledges, adding that the investigation of Luis Donaldo Colosio's murder should be stepped up. (Mexico City XEW Television Network in Spanish 0430 GMT 23 Jun 94)

Labor Party presidential candidate Cecilia Soto has said she is not very optimistic about the appointment of the new commissioner for peace and reconciliation in Chiapas. She said: "I wish him the best of luck." During an interview following a meeting with members of the Permanent Agrarian Congress, she explained that Jorge Madrazo's appointment as peace commissioner depoliticizes the situation, which is good. She added: "I do not believe the problem was Manuel Camacho Solis' resignation; the problem was that he ran out of things to talk about as peace commissioner. The Zapatist National Liberation Army says it is not interested in dialogue with the current administration but with the new government." (Mexico City Radio ACIR Network in Spanish 0000 GMT 24 Jun 94)

In part two of a two-part interview with PRI national leader Ignacio Pichardo Pagaza by UNOMASUNO's Jose Quintero Arias, Pagaza said that people who believe Zedillo's candidacy is weak are mistaken. He added that

the only way to eliminate violence in the upcoming elections is to respect the people's will. "The PRI will defend the legitimacy of the vote," he said, adding that the Mexican people will avoid the violence being promoted by certain parties. Pichardo decried the constant references to possible fraud being made by Cuauhtemoc Cardenas, candidate for the Party of the Democratic Revolution (PRD). He also outlined the PRI's position on an impartial electoral process, saying that the Electoral Law has been reformed and that the party's candidate has pledged that the vote will be respected. Regarding the number of votes the PRI expects to win, Pichardo said the PRI has not, at this time, set a goal it can express publicly. He added: "We are struggling as a political party to obtain an absolute majority. That is our goal: half plus one." (Mexico City UNOMASUNO in Spanish 24 Jun 94 pp 1, 6)

National Action Party (PAN) candidate Diego Fernandez de Cevallos said in Monterrey, Nuevo Leon, that a PAN administration would not tolerate one bit of presidential centralism. "I can assure you," he said, "there would not be a single minute, not one single minute of presidential centralism. We cannot continue to allow the president of the Republic to decide the life, destiny, and future of 85 million Mexicans." Fernandez said that by way of political and economic decentralization the PAN would achieve modern development throughout the country. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 Jun 94)

In Hermosillo, Sonora, Labor Party candidate Cecilia Soto said there are forces in the country promoting a civil war in advance of the upcoming elections. "There are several small but armed groups in various regions on the country. I believe they are convinced that weapons are the solution," she said. Regarding Luis Donaldo Colosio's assassination, Soto said: "All of the people of Sonora and Mexico are demanding justice in the case of Luis Donaldo Colosio's assassination." (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 Jun 94)

PRD candidate Cuauhtemoc Cardenas met on 27 June in Mexico City with students from 28 Mexican universities. The students presented him with a document on the development of education, which, they said, could serve as a foundation for the next president's education policies. Each of the eight candidates will receive a copy. Cardenas promised to read the document. He also expressed his views regarding the legality of the August elections. He said: "If the government had placed the organization of the electoral process in the hands of society, I would feel much more confident than I do with the body that is currently managing the elections, which, after all, falls under the executive branch." (Mexico City XEW Television Network in Spanish 0430 GMT 28 Jun 94)

PRI presidential candidate Ernesto Zedillo has met in Mexico City with a group of more than 1,000 women from all social spheres, including housewives, professional women, and actresses. The women questioned Zedillo on the possibility of reaching a power-sharing agreement. He replies as follows: He who wins, wins; he who loses, loses. He added that there are more than 100 municipalities in the hands of other parties. We know the power sharing is inherent in a democratic country, he pointed out, adding that he sincerely hoped the presidency would not be rotated. He also said that should he win the elections, irreproachable and honest men and women will make up his government. As for divisions within the PRI, Zedillo said there are different opinions, but not divisions within his party. (Mexico City XEW Television Network in Spanish 1300 GMT 28 Jun 94)

PRI candidate Ernesto Zedillo has held a rally with more than 4,000 PRI followers in Guadalajara, Jalisco State. There, he said it is desirable for the PRI to hold honest elections; the other parties already know they will lose the elections. (Mexico City XEW Television Network in Spanish 0430 GMT 29 Jun 94)

PAN presidential candidate Diego Fernandez de Cevallos talked about politics during halftime of a soccer game he was watching. He said: The fact that there will be no casualties or stolen ballot boxes on 21 August is not enough. If we still lack honesty, justice, truth, and openness by Election Day, we will not accept the results of the elections. (Mexico City XEW Television Network in Spanish 0430 GMT 29 Jun 94)

PAN presidential candidate Fernandez de Cevallos has said President Carlos Salinas' recent statements on the fact that he will turn over power to whoever wins the elections regardless of party affiliation were timely, valuable, sincere, and favorable, especially in these times of confusion, disorder, violence, doubt, and lack of trust. Fernandez stressed that the legality of the elections cannot be defined in a single day; it is an ongoing process. As for Government Secretariat Jorge Carpizo's attempt to resign, the PAN presidential candidate said Carpizo's decision to ultimately not resign was a "positive decision." (Mexico City UNOMASUNO in Spanish 29 Jun 94 p 5)

PRD presidential candidate Cuauhtemoc Cardenas has just ended a two-day visit to Morelos State. He spoke before Morelos State Autonomous University students and said his party has faced many problems in light of the 21 August elections, adding: Regardless of whether Government Secretary Carpizo is competent or not, we fail to understand how he can guarantee honest elections. (Mexico City XEW Television Network in Spanish 0430 GMT 30 Jun 94)

Correction to PRD Candidate Presents Economic Program

PA2906155794

The following correction pertains to the item headlined "PRD Candidate Presents Economic Program" published in the 29 June Latin America DAILY REPORT, pages 10-11:

Page 11, column one, penultimate paragraph, sentence one, reads ... stressed that states now receive 15 percent of all revenues while municipalities receive 5 percent. "We plan to recommend to a national financial convention, which would be called for this purpose, that allotments be tripled for the municipalities and doubled for the states, thus reducing the federal government's share of total revenues from 80 to 55 percent," ... (rephrasing)

Guatemala

Assassination Plot Against President Uncovered

PA3006222094 Paris AFP in Spanish 2129 GMT 30 Jun 94

[Text] Guatemala City, 30 Jun (AFP)—At noon today, Guatemalan security forces discovered a plot in which President Ramiro de Leon Carpio was to be assassinated during a military parade. According to police, unidentified gunmen were going to fire on the president from a hotel located in front of the central square of the capital city.

Police spokesman Salvador Figueroa said that this morning "we received an anonymous phone call, which prompted us to mobilize forces and conduct a search in all high-rise buildings near the National Palace" where Army Day was going to be commemorated.

Police discovered a high-powered rifle with a telescopic sight pointed toward the presidential dais from a room in the Ritz Continental Hotel, one of the highest buildings in the area. Apparently, the would-be snipers were alerted by the police deployment and managed to escape.

Suspect Identified

PA3006225294 Guatemala City Cadena de Emisoras Unidas in Spanish 2214 GMT 30 Jun 94

[Report by Rodolfo Argueta from the "News Patrol" newscast]

[Text] As reported earlier, President Ramiro De Leon Carpio was going to be attacked today by a man who has been identified as German Salvaterra. Salvaterra is from Quetzaltenango. However, members of the National Police arrived at the Ritz Continental Hotel where Salvaterra was staying. He was planning to use a sophisticated weapon to shoot President De Leon while he was deliverying his Army Day speech.

Foreigner Tied To Plot

PA0107004594 Panama City ACAN in Spanish 2321 GMT 30 Jun 94

[Text] Guatemala, 30 Jun (ACAN-EFE)—Government Minister Danilo Parinello has confirmed the existence of a foreigner's plot to assassinate President Ramiro De Leon today while he reviewed a military parade.

National Police Director Salvador Figueroa today announced that the plot to assassinate De Leon had been broken up. De Leon was to be assassinated with a rifle equipped with a telescopic sight. The rifle was to be fired from a hotel room near the National Palace.

The attack was to be carried out by a foreigner who has not yet been arrested. The man was staying at the Ritz Continental Hotel in Room 910, where a sniper's rifle was discovered.

Minister Parinello explained to ACAN-EFE that the room in which the weapon was found is on the ninth floor of the hotel, which is situated 200 meters from the National Palace. The room is at an angle from which a shot could be fired at the National Palace, and this "convinces us that there was an intention to attack the president."

Parinello insisted he had knowledge of the plot several days ago; however, the information had been passed to the Presidential Guard in charge of presidential security. Parinello would only say that guards checked all of the buildings in the area, "even the cathedral," until they uncovered the weapon in Room 910 of the hotel.

According to the National Police—an institution under the Government Ministry—the alleged assassin registered in the Ritz Continental on 28 June under the name of German Salvatierra from western Quetzaltenango Department; however, it is believe that this is an alias.

Salvador Figueroa told the media that in the room they found a cap featuring Arabic characters and clothing manufactured in Italy and Spain, leading them to believe that a foreigner is involved.

De Leon Carpio, who has not made any statement regarding the alleged assassinate plot, today watched the military parade from a balcony of the National Palace from behind bulletproof glass. The military parade that honors the founding of the Army lasted four hours.

Army Suspends Military Recruitment for 6 Months

PA3006130894 Mexico City NOTIMEX in Spanish 0005 GMT 30 Jun 94

[Text] Guatemala City, 29 Jun (NOTIMEX)—The Guatemalan defense minister today announced a six-month suspension of military recruitment while Congress enacts a new Military Recruitment Law.

Defense Minister Major General Mario Rene Enriquez Morales said, however, that if during that time the unicameral Congress does not approve the Army's proposal and the armed conflict continues, the draft will be reinstated.

During a news conference, Enriquez said he was confident that with the signing of peace accords between the Government and the Guatemalan National Revolutionary Unity (URNG) the situation will change "because it is not pleasant to recruit young men to engage them in a counterinsurgency war."

President Ramiro De Leon's government and Guatemalan guerrilla forces are negotiating a peace agreement that, according to official sources, could be signed this year thus ending 34 years of internal armed conflict.

Enriquez said human rights organizations, which he did not identify, have made recruitment a political issue to ruin the army's image a few months before the signing of a peace agreement with the rebels. The 1992 Nobel Peace

Prize Laureate Rigoberta Menchu Tum, a Quiche indian, said in Guatemala City on June 29 that violent and coercive military recruitment continues in this Central American country. Menchu Tum stressed that despite official propaganda, this practice, which began over a century ago, retains its "unfair and disriminatory" nature. The Nobel Peace Prize Laureate expressed her support for those sectors that oppose recruitment and champion the rights of conscientious objectors.

She supported a plan for voluntary military service that Human Rights Ombudsman Jorge Mario Garcia Laguardia presented to Congress this week.

Nicaragua

Former Contras Leave CIAV-OAS Headquarters

PA3006170294 Mexico City NOTIMEX in Spanish 1731 GMT 30 Jun 94

[Text] Managua, 30 Jun (NOTIMEX)—A group of 15 former contras voluntarily left the headquarters of the International Commission of Support and Verification of the OAS (CIAV-OAS), which they occupied last Tuesday.

Official sources announced the former contras, who were demanding compliance with the 1990 peace accords, left the CIAV-OAS headquarters without incident after occupying it for 84 hours while they negotiated guarantees for their security with the government.

Meanwhile, six former "contras" who broke into the Colombian Embassy on Tuesday to demand political asylum are still inside that mission.

Leave Colombian Embassy

PA3006183394 Mexico City NOTIMEX in Spanish 1815 GMT 30 Jun 94

[Text] Managua, 30 Jun (NOTIMEX)—A group of six former Nicaraguan contras left the Colombian Embassy in Nicaragua today without being granted political asylum. They left hours after another group ended their occupation of an OAS building.

Official sources said the six former contras were taken in vehicles of the International Commission of Support and Verification-OAS (CIAV-OAS) to the Government Ministry to begin negotiations.

On Thursday 15 former members of the disbanded Nicaraguan Resistance left CIAV-OAS offices in this capital after occupying it for 48 hours. The sources added that both groups are negotiating with Government Minister Alfredo Mendieta for guarantees that there will be no reprisals against them.

Two Arrested for Leading Occupations

PA0107011394 Hamburg DPA in Spanish 0000 GMT 1 Jul 94

[Text] Managua, 30 Jun (DPA)—Approximately 20 former Nicaraguan resistance members, a.k.a. contras, today peacefully vacated the Colombian Embassy and the headquarters of the Commission of Support and Verification of the OAS [CIAV-OAS] after demanding political asylum and financial benefits from President Violeta Chamorro's government for 48 hours.

The former contras left the premises without having their demands met. Meanwhile, a political confrontation took place among Nicaraguan Resistance Party [PRN] members after leader Fernando Avellan was injured on the streets of Managua.

It also was reported that brothers Enrique and Juan Carlos Quinonez were arrested and charged with leading the occupation of the Colombian Embassy and the CIAV-OAS building. In addition, police confiscated a dozen light weapons from the brothers.

Also, Humberto Castilla, a deputy and PRN activist, reported that 20 peasants and former contras were taken into custody in Chinandega, some 130 km from Managua, after they occupied the local Agrarian Reform Institute office to demand the legalization of the ownership of plots of land they are occupying in the area.

Court Dismisses Murder Case Against Army Chief

PA3006193294 Managua BARRICADA in Spanish 30 Jun 94 pp 1, 10

[Report by Freddy Potoy]

[Text] The First Military Court of the Armed Forces' Judge Advocate General's Office has definitively dismissed the case against Army Chief General Humberto Ortega and his eight bodyguards for the murder of Jean Paul Genie Lacayo. Lieutenant Colonel Denis Moncada Colindres, judge advocate general of the Armed Forces, decided to dismiss the case for the felonious homicide of Genie Lacayo as the case was originally presented.

In addition, Moncada dismissed the case against Danilo Chacon Rivas, Danilo Jose Matus Romero, Alejandro Lopez Rodriguez, Julio Cruz Berroteran, Jose Leonidas Guido Pena, Jose Mariano Medina Alvarez, Arnoldo Enrique Morales Montes, Jose Angel Velasquez Roque, and Humberto Ortega Saavedra as they neither perpetrated nor covered up Genie's murder. The judge advocate general's resolution indicates that, based on the definitive dismissal of the case against eight bodyguards and Gen. Ortega, the corresponding release order must be given.

Captain Azhalea Solis Roman, secretary of the Armed Forces' judge advocate general, said the case will remain open until it is determined who is responsible for Genie's death.

Solis explained that the cases against the indicted soldiers were dismissed based on the principle of presumption of innocence, but "the plaintiff has the right to appeal if he does not agree with the resolution."

Between 2030 and 2100 on 28 October 1990, Genie Lacayo was driving a Mitsubishi truck, license plate No. ME 3612, near kilometer 7.5 of the road to Masaya on his way home to Las Colinas. Someone fired on Genie Lacayo, causing him to lose control of his vehicle and drive into a bushy area on the roadside. He died afterward.

Yesterday afternoon and evening, BARRICADA tried to locate Dr. Danilo Olivas Zuniga, attorney for the plaintiff, and Mr. Raymond Genie Penalba, father of the murdered youth, to hear their views on the ruling by the First Military Court of the Armed Forces' Judge Advocate General's Office, but they were unavailable for comment at their home or office.

EPS, Police Compete Over Antidrug Struggle

PA3006221394 Managua LA PRENSA in Spanish 25 Jun 94 pp 1, 12

[Report by Roberto Orozco B.]

[Text] A strong dispute has emerged between the Sandinist People's Army (EPS) and the National Police over control of the struggle against drug trafficking, reliable sources from the Government Ministry and the Presidency have told LA PRENSA. The sources added that the conflict has reached the executive branch, which is expected to finally settle the dispute.

"The problem emerged two weeks ago when Army Chief General Humberto Ortega asked the executive branch to transfer responsibility for the drug fight from the police to the EPS," explained a government source who asked to remain anonymous.

Meanwhile, a Government Ministry source said National Police Commander Fernando Caldera "is opposed to Ortega's request, because this responsibility belongs to the organization over which he presides."

According to Government Ministry sources, Ortega wants the executive branch to approve his request before his departure from the EPS on 21 February 1995.

According to the sources, the EPS claims the police do not have the necessary technical resources to combat drug trafficking along the border, on the high seas, and in the cities. In addition, the police budget, which is very limited, prevents the police from being effective.

They added that Ortega's request may have stemmed from the fact that the chiefs of the Sandinist Armed Forces and Navy are the ones who have fought drug trafficking together with police, and these forces have shown greater aggressiveness in antidrug operations.

A Government Ministry source argued that "the creation of an antinarcotics information center would show EPS meddling in what are strictly police affairs."

"In light of the seriousness of the dispute between the EPS and the police, the Security Cabinet has already held private meetings between Presidency Minister Antonio Lacayo, Deputy Government Minister Frank Cesar, and Ortega to review the Army chief's proposal," according to an official from the Presidency, who also asked to remain anonymous.

According to this official, Commander Caldera stated his strong opposition to this transfer of duties to the EPS.

When asked about this matter, former Police Chief Doris Tijerino explained: "The EPS trend of meddling in police affairs is nothing new."

Tijerino added: "It is not the fault of the EPS but of the government, because it has never granted police enough funding to carry out its responsibilities in the war against drugs."

An adviser to former Police Chief Rene Vivas told LA PRENSA that the EPS strategy of pressuring for the transfer of the drug struggle to the Army was more intense before the government removed Vivas from his post.

Meanwhile, when asked about this situation, Commander Caldera downplayed the importance of the affair.

"I do not think the Army is pressuring for the transfer of these duties because the police cannot manage to carry them out. In addition, the law is clear and empowers the police alone to carry out this task," Caldera stated without giving further explanations.

Meanwhile, Deputy Government Minister Frank Cesar denied the Army has made such a request.

The Antidrug Law was recently approved at the National Assembly and it clearly stipulates that the fight against drug trafficking is an exclusive responsibility of the police.

Panama

Endara Denies Country To Be Used To Invade Haiti

PA3006153094 Panama City LA PRENSA in Spanish 30 Jun 94 p 2

[Report by Manuel Alvarez Cedeno]

[Text] President Guillermo Endara yesterday "strongly" denied that Panamanian territory would be used as a springboard for a military invasion of Haiti to reinstall the Caribbean nation's constitutional government.

Foreign Minister Jose Mulino spoke to the media on the doorsteps of the Presidential Palace and asked the press to "please discard the possibility that Panamanian territory would be used to invade Haiti."

When asked if Panama could be used as a bridge for military action against the regime of General Raoul Cedras, Mulino said: "Negative. That is not possible and (the use of Panamanian soil) would not be authorized for such purposes."

The foreign minister explained that President Guillermo Endara is studying a UN request for Panamanian police to participate in a peacekeeping operation in Haiti, where President Jean-Bertrand Aristide was overthrown in a military coup in 1991.

Panamanian political circles speculate that the U.S. Southern Command could deploy an invasion force to Haiti, although U.S. military sources have flatly denied such a possibility.

Argentina

Constitution To Include Federal Revenue Sharing

PY3006195694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1152 GMT 30 Jun 94

[Text] Buenos Aires, 30 Jun (NA)—President Carlos Menem and all the Peronist governors have agreed that a federal revenue sharing system "will be included in the future constitution that will be established by the constituent assembly in Santa Fe, even though it will not specify any percentages."

Menem and the Peronist governors also agreed on promoting a five-year public works plan that will be implemented within the next few months throughout our country and that "will serve to support" the electoral campaign for Menem's reelection in 1995.

This was reported by Juan Schiaretti, the government trustee in Santiago del Estero Province, after a two-hour meeting between Menem, who was joined by Interior Minister Carlos Ruckauf and Presidential Secretary General Eduardo Bauza, and all the Peronist governors.

Menem also apologized to the ruling-party governors "if they felt offended" over his remarks against the claims in the field of federal revenue sharing raised by some governors.

This point was disclosed by Santa Cruz governor Nestor Kirchner, who appreciated "the president's gesture of apologizing if we felt offended when he became acquainted" with these claims.

From Colombia, Menem asked the governors "to stay put" and cautioned them about the risks their stance entailed for the development of our country's economy.

Economy Minister Domingo Cavallo did not participate in the meeting at the Interior Ministry Shields Hall because, as an Interior Ministry source explained, "it was a political, and not an economic analysis meeting."

Shortly after 1930, Menem and the governors, along with Ruckauf and Bauza, went to the president's office where Menem recorded a message to mark another anniversary of General Juan Domingo Peron's death. This message will be broadcast tomorrow over a national radio and television network to mark the 20th anniversary of the Justicialist Party founder's death.

Kirchner, who was a spokesman for the meeting, said he left the Government House "satisfied because basic issues for us and for Argentina were discussed."

Kirchner noted that the federal revenue sharing system, "which was a clear and specific necessity" for the governors, "will be included in the constitution." He acknowledged that "the constitution will not specify any percentages, but indexes, which is a point that has been raised all the time."

The Santa Cruz governor noted that the indexes to be specified in the new constitution "take into account a reduced population density, lack of regional development, and lack of investment so that the sharing index to be established by Congress will protect our fatherland's marginal provinces."

Entre Rios Governor Mario Moine noted that, during the meeting, the issue of holding next year's presidential and congressional elections separately was not discussed. He believes "this issue will have to be agreed upon" with the Radical Civic Union.

Buenos Aires Province Governor Eduardo Duhalde emphasized "the relaxed atmosphere" that prevailed during their meeting with Menem. He said: "Concerning the revenue sharing issue, the inclusion of percentages or any other point that might worry investors was not raised."

Duhalde also made it clear that, during the meeting, the governors' reelection issue "was not discussed." Various Peronist governors, who hope to be reelected, are legally unable to run for reelection. In addition to Duhalde, they include Tucuman Governor Ramon Ortega, Mario Moine, and Santa Fe Governor Carlos Reutemann.

Bolivia

Sanchez de Lozada Outlines Economic Policy

PY0107014294 La Paz PRESENCIA in Spanish 25 Jun 94 p 5

[Text] President Gonzalo Sanchez de Lozada yesterday revealed his government strategy concerning economic policy. He said that very good results will be visible only during the third year of his administration, in 1996, "so everyone will feel compelled to vote for the MNR [Nationalist Revolutionary Movement], even though Goni [Sanchez de Lozada]" may not be a candidate.

In his characteristicly humorous tone he explained the current economic situation, stating that a much more successful period will come for the country's economy once the capitalization plans, public participation, and other reforms are implemented.

Referring to criticism from private enterprise and from some opposition parties about the slowness of economic growth and a lack of support for the productive sector, Sanchez de Lozada said: "We are politicians.... We have a plan, and there is a strategy behind all this, but there is also a deadline. Complaints are welcomed, and I do not feel offended. I want to say first of all that there is no recession. We have growth of 4.3 percent, but that does not mean that everything is well," he said.

According to the president the government needs to strongly promote public investment, which during the first semester became stagnant because a number of economic adjustments had to be made that the previous government had not undertaken.

"We had to reduce the fiscal deficit and growth to 6.4 percent, while the right thing to do would have been to increase it to over 10 percent, and the Patriotic Accord, which is today criticizing us shamelessly, is to be blamed for this," he said. But despite all this, inflation and the fiscal deficit have been reduced, "and we have done so without any state of siege and without increasing gasoline prices."

He explained that the economy is developing within a framework of stability, although the level of development is not as high as desired. Many people who have great economic influence, such as Mr. Jorge Landivar (head of ADN—Nationalist Democratic Action), are complaining because the number of contracts or deals is not as high as they wanted.

Resorting to soccer jargon, he said that although during this semester his government had not scored any goals, it would certainly score a number of them in the second half of the year.

"Watching the soccer game I realized that we must score goals during the first half. We have not scored, and thus we have tied in this semester, but we want to win during the second half," he said.

In a self-criticism, he said: "Not everything is perfect, but we must admit that we had to make corrections, amend errors, put order into the economy, and we trust that the next semester will be better than the one before."

Concerning one of the most important processes of his government, he said that capitalization will surely begin during the first months of 1995.

"By the second year of the presidency I think all companies will be capitalized, in good form, and very successful, I hope. Moreover, I think it will prompt a radical and dynamic change" in the country, he said.

But he explained further that it is not just a matter of waiting until next year. To make these changes we must work, he said. "We believe that during the first few months of next year we are going to see the capitalization of companies, one after the other, and those signs will bring confidence to workers and businessmen," he added. According to the president, capitalization will create the objective conditions for private companies as one of the first sectors to "come aboard."

He explained that businessmen do not so much require incentives as the appropriate conditions in which to participate, as the growth achieved so far (4.3 percent) was achieved by the economic activity of the private sector, while state companies were practically inactive awaiting their capitalization.

According to Sanchez de Lozada, the businessmen, as in other sectors, want to see whether or not the capitalization and other forms proposed by the government will function. "I understand that confidence is not yet complete, and our problem is to earn that confidence," he said.

The businessmen do not need incentives, they need confidence, signs that we are going to progress.... There are some groups that have been privileged and want to obtain government contracts and purchases, things we have already stopped, but in general the behavior of the private company, as many in Bolivia, is that they want to see concrete things and projects implemented," he said.

Presidency Minister Discusses Political Career

94SM0372A La Paz HOY in Spanish 29 May 94 p 15

[Interview with Minister of the Presidency Carlos Sanchez Berzain by Jeanette Oporto in La Paz; first three paragraphs are editorial introduction]

[Text] From the series, "Know Your Cabinet Ministers." In this issue, Carlos Sanchez Berzain. Carlos Sanchez Berzain is a lawyer who achieved notoriety in Cochabamba a few years ago, when he made a practice of handling cases which generally involved large amounts of money. However, he was not yet identified with the MNR [Nationalist Revolutionary Movement]. Today he is one of the most influential politicians in the group around President Gonzalo Sanchez de Lozada.

Based on a certain aura as a "man of action" and a reputation for getting things done quickly, his brilliant career has placed him in a strategic position for the exercise of power: the Ministry of the Presidency, the office from which President Sanchez de Lozada coordinates all of the political activity of the MNR in Parliament and the place through which almost inevitably pass the principal papers which the president receives and sends out.

Undoubtedly, the minister of the Presidency, whose office is a few steps from the office of the president, holds an intimate and essential position in the Palace of Government.

[Oporto] Carlos Sanchez Berzain, you have been characterized as one of the "tough" ministers in the cabinet of President Gonzalo Sanchez de Lozada. To what do you attribute this reputation?

[Sanchez] Certainly, that is the impression which some people have.

[Oporto] Other views of you, still from within your own party, state that you are part of a group within the palace which makes it difficult for the president to understand problems properly. What do you think of such a view?

[Sanchez] Such a view is false because there is no such palace group and because those who circulate these stories either do not know the president or are trying to create problems with some political purpose in mind. President Gonzalo Sanchez de Lozada is not a person who would let himself be surrounded by other people. He is too intelligent for that.

[Oporto] We know the serious Sanchez Berzain, the efficient lawyer who reportedly has not lost a case in his life. Is there another Sanchez Berzain in the background?

[Sanchez] I want to make clear that I make no such claim. A lawyer goes to court in search of justice and with an impartial point of view. He is not going to impose himself on others and does not always win. In the field of law justice should win. As far as the rest is concerned, every individual has his own personal life. I have my own life, my family, and very warm friends. I like sports, habits, and customs which please me.

[Oporto] Not much is known about your activities in the MNR. That is, you are not a political figure with a well-known orientation in the party. Does this situation make enemies for you?

[Sanchez] I do not think so, because I directed the election campaign in Cochabamba. We won the election. I consider that all of the people with whom we worked during the campaign know my record.

[Oporto] Under what circumstances did you enter the MNR?

[Sanchez] I entered the party with feelings of deep admiration and respect for Dr. Gonzalo Sanchez de Lozada and in recognition of the great, historic achievements of the MNR, of the national revolution, and of its leaders—especially, Dr. Victor Paz Estenssoro.

[Oporto] What other hopes do you have?

[Sanchez] I want to be a good minister of the Presidency and to serve my country in that position.

[Oporto] Which would you prefer, a government facing a solid and coherent opposition or a government without an opposition?

[Sanchez] I prefer a solid and coherent opposition because in that way we work better, we engage in a dialogue with greater and better results, and we can think of our country as composed of government and opposition.

Some politicians in our country think that the government and the opposition should be enemies. That is a bad idea, because both sides should work for the progress of our nation and to conquer misery, dependency, and underdevelopment. This is a task for all Bolivians. It is not a matter of whether the government or the opposition is right. It is a matter of seeing what is best for Bolivia and understanding that the government is the government because it won an election and has a popular mandate. In the case of President Sanchez de Lozada this mandate is "Everyone's Plan."

[Oporto] Is there something which particularly annoys you in the conduct of your political opponents?

[Sanchez] Disloyalty and political maneuvering.

[Oporto] Many people say that you are one of the people who arranged for the entry of Max Fernandez into the government coalition. Is this true? If so, what was your previous relationship with the leader of the UCS [Civic Solidarity Union]?

[Sanchez] The government program agreement reached between the MNR and the UCS is an agreement between political parties. Max Fernandez signed that agreement as the leader of the UCS. The government program agreement was drafted by the various political interest groups involved and, as its name indicates, it has the fundamental objective of ensuring that the country can be governed. Together with Juan Carlos Duran, I set up the MNR negotiating team to organize the government. We negotiated with several political parties.

[Oporto] Would you say that Max Fernandez is a reliable ally?

[Sanchez] I believe that the UCS and Max Fernandez, its leader, are reliable allies. I have confidence in them.

[Oporto] Can you trust a politician?

[Sanchez] You should be able to trust a politician. I have confidence in my political relationships because I also like people to have confidence in me. In general, this is a standard which I have kept in my private and public life.

[Oporto] If you had to write the Ten Commandments of a good politician, what would be the 10 conditions which you would choose?

[Sanchez] Patriotism, honesty, a capacity for loyalty, be a convinced supporter of democracy, be respectful of the rights of others, have a cultured background, have experience, have a sense of dedication, and have some beliefs or religious foundation to serve as a moral basis for political conduct.

[Oporto] Who are the politicians whom you most admire in Bolivia and in the world?

[Sanchez] I admire a number of them—perhaps too many. However, in a very special way I admire Marshal Andres de Santa Cruz, Dr. Victor Paz Estenssoro, and Gonzalo Sanchez de Lozada, our president. In the world I admire democratic politicians because democracy is the best form of government, but it is also the most difficult.

[Oporto] Which is the more difficult—reaching a consensus with the opposition or resolving problems in the government coalition?

[Sanchez] Those are two different things. In the government coalition we have never had problems with our program or with ideology. On the other hand the opposition is what it is because it proposed programs and ideological choices to the country which are different from those of the government.

[Oporto] In political life should a man be ready for war or for a dialogue?

[Sanchez] He should always be ready for a dialogue, since this is the fundamental instrument of democracy. I do not believe that there is warfare in government. At times there are ideological or circumstantial confrontations or those which involve a conflict of interests. In politics one has adversaries but not enemies. If you reach the point where you have enemies, that is when political life becomes debased and begins to harm the country.

[Oporto] Finally, what does power mean to you: a privilege or a service?

[Sanchez] It is fundamentally a service. I am a public servant. But power is also a privilege, though it is loaded with responsibilities, misunderstandings, and constant challenges which you have to know how to deal with, always thinking of the country and of the welfare of all of the people, rather than of yourself.

Justice Official Views Crisis, Need for Reform

94SM0371C Cochabamba LOS TIEMPOS in Spanish 20 May 94 p A8

[Interview with Hugo Urquieta Morales, justice undersecretary, in La Paz; date not given; first three paragraphs are LOS TIEMPOS introduction]

[Text] Yesterday, 19 May, Bolivia's undersecretary of justice called for introducing—as soon as possible—"radical and in-depth" changes in the judiciary, with the active participation of the executive and legislative branches, which should "immediately pursue" the total replacement of the members of the Supreme Court.

Dr. Hugo Urquieta Morales, undersecretary of justice, agreed to an interview with LOS TIEMPOS in La Paz in order to express "judicial and legal views" on the possible renovation of the Supreme Court. This issue came to a head in recent days with the irrevocable resignation of Luis Adolfo Siles Salinas from the judiciary.

Parts of our interview with Justice Undersecretary Hugo Urquieta Morales follow.

[LOS TIEMPOS] How does the Ministry of Justice perceive the crisis in the Bolivian judicial system?

[Urquieta Morales] The judiciary has for a long time been the cause of deep concern, both in the government and throughout the country at large. The mechanisms that must be used to improve the operations and conditions of the judiciary are stated in the Constitution and the Judicial Organization Law.

Nor can those of us who live in Bolivia fail to see that the accumulation of negative factors throughout the entire history of the judiciary has reached intolerable levels.

Unfortunately, the judiciary has demonstrated in recent years that it lacks the capacity to resolve its own problems. As an organization and a state power, it should have mechanisms, legal resources, and the political will to work out its own difficulties in a systematic manner.

This has not happened; on the contrary, the negative factors have accumulated to such a point that they could cause—in the short term—a collapse which, if it were to occur, would damage the institutional nature of the judiciary and the interests of the citizens who need a judiciary "free of all suspicion."

[LOS TIEMPOS] In your opinion, what negative factors have contributed to the crisis afflicting Bolivia's judiciary?

[Urquieta Morales] Undoubtedly, and this must be acknowledged, many things in the judicial system are obsolete. For example, the system of managing judicial cases in open court has a long tradition in this country, dating back through the 167 years of our history as a Republic.

To date they have not been able to make any modifications. Any administrative matter, even the most insignificant, without an open court hearing is never resolved, and all Bolivians can attest to that.

This administrative hurdle in the judicial system becomes even worse when issues that are highly sensitive and entail high social or economic risks are involved.

The open court session, because of the many people involved, instead of facilitating proceedings, creates a bottleneck that is highly unlikely to be resolved in a short time.

These problems arise because judges and judicial magistrates are human beings who hold and reflect different points of view.

[LOS TIEMPOS] How does the Ministry of Justice propose to correct these problems?

[Urquieta Morales] The Ministry of Justice proposes creating an "internal government body in the judiciary."

This body, which will act within the judicial system, will be able to run the judiciary with flexibility; it will be able to resolve judicial problems in a timely manner and fully exercise the role assigned to it by the Constitution: "discipline."

[LOS TIEMPOS] What do you mean about discipline in the judiciary?

[Urquieta Morales] Judges in Bolivia feel they are above the law, even though they are its direct representatives in society. They do not keep to schedules, have no fixed working days, and have no time limits for resolving judicial disagreements, even though the law penalizes these actions and stipulates a loss of jurisdiction.

Judicial officials have found grounds and procedures to delay cases for periods of time that in many cases are 10 times longer than stated in the law. No deadlines are applied.

Simply put, judges ignore legal provisions and if they do comply with them, execute them in an informal manner.

This is an intolerable situation that needs to be remedied.

[LOS TIEMPOS] What sort of radical remedies should be introduced to improve the judiciary?

[Urquieta Morales] To find solutions for issues as important as the administration of justice, the Undersecretariat of Justice has proposed in the past that reforms of the judiciary not be made from within. That is, exclusively by the Supreme Court and the Superior District Courts.

On the contrary, the Legislature and the executive should be involved in this process of renovation and reform of the judiciary.

This could provide an overall image of the problems afflicting the judiciary. They would have the neutrality and autonomy to act in the interests of ordinary citizens and of the entire country.

We must be capable of introducing complete solutions, not just "bandaid" remedies, as they did when they wanted to implement "minimum modifications." The Two-Thirds Law for electing Supreme Court magistrates had positive results in the electoral phase.

But this mechanism was "aborted operationally." The magistrates who remained in the Supreme Court were assigned methods, procedures, and formalities that effectively sidelined new Supreme Court magistrates and converted them into ministers, even when they had seniority, in the feudal system that still persists in the judiciary.

[LOS TIEMPOS] Do you mean there should be a sort of internal autonomy with sectorial laws within the Supreme Court of Justice?

[Urquieta Morales] Yes. To give you an example: when an attorney with 20 years of experience gets to the Supreme Court he is new, and so he has to establish another career if he wants to gain access to new power structures. He works, while the others command and run things.

These are some of the internal problems that now exist in the National Judiciary. These problems do not stem from the laws, but rather from the people who execute the laws, the Supreme Court justices and the District Court judges.

[LOS TIEMPOS] Should all of the present Supreme Court justices be changed? Do you think it is appropriate to promote this policy in the present situation?

[Urquieta Morales] Let me give you the following as an introduction: the judiciary has for a long time been working with World Bank financing on a judicial reform bill.

There is now a task force composed of two representatives of the Supreme Court and two presidents of the Superior District Courts to introduce in-depth changes in the Bolivian judicial system. In this context, I must state, and with no fear of error, that the end result that the judiciary has come up with at this time is "bad" both in time and in quality. For in the view of the Undersecretariat of Justice, all these attempts to make the proposed reform work are fundamentally flawed.

And this flaw consists of giving the Supreme Court of Justice the exclusive task of "reforming itself" on its own. My view rests on three pillars.

The state has three powers: the executive, the legislative, and the judiciary, and each one is interested in "how and why" the Bolivian judicial system could be modified for "better and not for worse."

Therefore, in making transformations like the ones they want to introduce in the Supreme Court, the executive and the legislative powers should be actively involved.

In Bolivia we need to enter—now more than ever before—the realm of theory.

In this context, and to answer your question, the profound crisis that has existed in the judiciary since October 1993 requires "radical and immediate" measures.

In this framework, the executive and legislative powers, conscious of their responsibility to the law and to the Bolivian people, should now take action to avert a collapse.

There can also be no doubt that the legal forms of a solution are "too late and too lengthy"; however, the Undersecretariat of Justice is fully convinced that the judiciary's acute crisis calls for immediate and radical decisions.

Eje Pachacuti Responds to Government Accusations

94SM0372B Cochabamba LOS TIEMPOS in Spanish 19 May 94 p A3

[Excerpt from interview with Deputy Ramiro Barrenechea, leader of Eje Pachacuti, Patriotic Convergency Axis, by Gerardo Irusta, in La Paz on 18 May; first two paragraphs are editorial introduction]

[Excerpt] La Paz, 18 May (LOS TIEMPOS)—The Ministry of Government has formally accused the POR [Revolutionary Workers Party] and Eje Pachacuti of adopting radical attitudes—and even advocating the idea of armed struggle—in the trade union and social movement in the country. However, both political groups have rejected these accusations.

Deputy Ramiro Barrenechea is one of the leaders of Eje Pachacuti and is carrying on a defense of his party. However, at the same time he has declared that there is alleged growth in its basic organizations among the farmers. Following is our dialogue with this political leader.

[Irusta] Is the power which you have in the social movement as great as that which the Ministry of Government attributes to you?

[Barrenechea] Originally, the Eje Pachacuti emerged as a movement among the coca leaf growers in the Chapare area. It identified itself with the defense of their interests, which is also a defense of national interests. As of now we have grown substantially among the farmers as a consequence, in turn, of the decline in the influence of the Free Bolivia Movement [MBL], which used to have significant appeal among the farmers. MBL's participation in government activities is absolutely incompatible with the interests of the farmers. MBL influence has declined resoundingly, and the space it formerly occupied is now being filled by Eje Pachacuti, our movement.

[Irusta] Your organization is accused of holding certain views, including th? of armed struggle.

[Barrenechea] We know very well where those accusations come from. You will even recall that at the time of the conflict in La Paz and in other areas of the country slogans were painted on walls with the words, "Eje, to arms." We have flatly denied that we ever held those views and at the time we denounced the fact that there was a plan aimed at conducting a harsh repression of the farmers movement in general and our movement in particular.

[Irusta] But do you have or have you had contacts with the Tupac Katari Guerrilla Army [EGTK]? At least there are some indications of that.

[Barrenechea] We know several leaders of the EGTK and we know about their positions and their revolutionary struggle. However, we are not acting in a coordinated way with them or in accordance with any common agreement. We have known many leaders in our daily struggle for the social claims of the farmers. However, we also know that many of these leaders, who originally followed the EGTK, have drawn away from that movement, precisely because they did not agree with its methods. As revolutionaries the members of the EGTK deserve our respect. However, moving on from that point to saying that we are working with them sounds something like slander.

[Irusta] Do you hold the view that the farmers' movement or the farmers as such should be a part of the Bolivian Labor Federation (COB)? Does the Eje Pachacuti support this view?

[Barrenechea] We believe that, within the COB, the balance of social forces is still not defined. It will be necessary to wait for the definition of its political views, which is going to determine the class composition of the COB. However, we cannot ignore history and the courage of the struggle of the miners who traditionally have led the workers' and farmers' movement. It is probable that this position will be raised at the next Congress of the COB. However, I do not believe that it will be adopted because of the opposition of other sectors as important or more important as the position of the trade union organizations themselves and even of rural, professional workers. These groups are strategic sectors of social mobilization. Nevertheless, I also believe that the farmers will achieve a greater level of participation in the Executive Committee of the COB. [passage omitted]

Palenque Discusses CONDEPA's Opposition Role

94SM0371B La Paz HOY in Spanish 15 May 94 p 14

[Interview with Carlos Palenque, head of the Conscience of the Fatherland Party, by Germaine Barriga Velarde; place and date not given; first paragraph is HOY introduction]

[Text] Some comments by analysts on the political limitations of CONDEPA [Conscience of the Fatherland Party] have been categorically dismissed by its national leader. The crisis and weakness in the opposition, acknowledged by leaders of a variety of groups, were also rejected by CONDEPA, with the argument that after the formation of the Opposition Forum an effective battle will be waged against the Sanchez de Lozada government. This is an exclusive interview with Palenque, one of the men with the most experience in the opposition.

[Barriga Velarde] As CONDEPA's national leader, how do you evaluate the role your party has played in opposing neoliberalism?

[Palenque] In the five years of CONDEPA's life, we have called for making the neoliberal model completely flexible and adopting a productive model of endogenous development and national empowerment.

Politically, we have stressed the urgent need to pass the Political Parties Law, amend the Constitution, and change the Electoral Law.

On social issues, our major concern has been the battle against poverty, the lack of jobs, ignorance, dependency, and subjection.

[Barriga Velarde] What gains has your party made during this time as the principal opposition party to neoliberalism?

[Palenque] We have won some elections in various provinces and departments. In the 1989 elections CONDEPA was in a very strong fourth place, and in the 1993 municipal elections we ran second as the most popular group after the MNR [Nationalist Revolutionary Movement].

This means that in terms of the number of voters, the party has grown in a really positive way, and this has not been a thoughtless or unconscious sort of support.

Whoever votes for CONDEPA votes with great responsibility; the CONDEPA voter does not vote just for the sake of voting. It has been shown by the strength and power of the growth of our votes that people realize that CONDEPA is the only alternative that can defend the nation and the interests of the people of Bolivia.

[Barriga Velarde] Do you think CONDEPA's contribution is reflected positively in society? Has CONDEPA's active membership grown, and has its philosophy permeated the citizens' lives?

[Palenque] There has been a very significant advance. It is not true that CONDEPA only enjoys the voters' support in La Paz. We have won council seats in some municipalities in Oruro and Potosi, in Sucre, Cochabamba, and Santa Cruz.

Support for our platform is growing, but this is not a vote-getting platform, it is not an emotional platform; it is a platform deeply rooted in the people of Bolivia, and whoever works in our ranks definitely does so with the firm conviction that we are the best alternative for the people of Bolivia.

[Barriga Velarde] Has the platform received the support of social groups, or is it only a theoretical platform without results?

[Palenque] CONDEPA has had such a significant growth in relation to the neoliberal model that it has created an upheaval in the Bolivian family, in Bolivian society, in the working class, and among professionals and intellectuals.

With its responsible approach, it developed a new and different platform in the book on the "Endogenous Model." Now the citizens are beginning to understand in its true dimensions the nation's need to change the neoliberal model, which is an antinational model.

[Barriga Velarde] Aside from your leadership, which is well-recognized, has your party been able to create leaders in other regions of Bolivia?

[Palenque] Of course, CONDEPA has departmental branches everywhere, and in recent months we have been growing with a great deal of force and greater solidarity. We are the best option. Our organization is growing in the interior in depressed regions, in regions suffering from recession there is great interest, and now more than ever before the departmental organizations are growing both qualitatively and quantitatively in the interior.

[Barriga Velarde] How do you view the fact that some parties do not want to recognize CONDEPA as the leader of the opposition, as happened with the MNR?

[Palenque] We never recognized the MNR as the leader of the opposition during the government of Jaime Paz Zamora. CONDEPA does not claim that any political organization should recognize us as the leader of the opposition. We will continue to do what we are doing now, which is presenting alternative bills to those presented by the executive.

We ask that they listen to us and heed our suggestions. We ask the members of the government party that laws intended to transform the nation be consensus laws, and that they talk with the opposition and the parties in the government coalition.

It has been 11 months since the president learned that he won the election, and nine months since he has been in office, during which time the nation has remained paralyzed. There is a disturbing recession, a paralysis of the national economy, and we are reaching levels of extreme poverty.

[Barriga Velarde] Do you admit that there is a crisis in the opposition and in CONDEPA?

[Palenque] The Opposition Forum is the best scenario for reaching consensus positions that will defend our national interests and oppose certain attitudes of authoritarianism and verticalism, especially those of the head of the MNR.

The democratic forum offering a great debate is a patriotic forum in which we have recently and responsibly been analyzing what is happening in and to Bolivia.

From my particular point of view, that is the best scenario for strengthening the democratic process and especially for avoiding hegemonic leadership by the government, its terrible greed and voracity, and for creating the perfect equilibrium that a democratic process requires for progress and national development.

In Bolivia's case, this democratic equilibrium will help us overcome a number of problems arising from the arrogance and voracity of the MNR leader.

[Barriga Velarde] What alternatives will the opposition offer the nation after the formation of the forum?

[Palenque] It is hard to say what will happen with the forum, because it is a forum for debate, a meeting more than anything else. We cannot say whether in the future there will be an alliance or anything else. We are making this very clear; it is not a front, and even less is it an alliance.

CONDEPA will provide a constructive opposition with alternative laws. For example, in the case of the Popular Participation Law, we presented a bill that avoids trampling on the Constitution, avoids the return of the political commands, political control, and the other evils contained in that law.

Opposition Bloc Seeks To Define Role

94SM0371A La Paz HOY in Spanish 23 May 94 p 8

[Text] Two weeks after forming the Democratic Coalition Forum, composed of the opposition parties, some of its objectives have been achieved: the inauguration of the Extraordinary Congress in a regular session, the appointment of the Congress Commission, and the start of a dialogue with the government party bloc about convening new extraordinary sessions. Despite its numerical weakness in the legislature and the political and ideological differences within the forum, the opposition members hope to grow and strengthen their movement by involving all social sectors that are unhappy with the present government.

The hope of the parties in the coalition forum, who oppose what they call the "subjection by and authoritarianism" of the government party, is to offer an alternative that will work to defend democracy in a "national coalition forum" that will bring together all the social groups that are unhappy with the Gonzalo Sanchez de Lozada government, said Deputies Ramiro Barrenechea of the EJE [Patriotic Convergency Axis] and Mario Rueda of MIR [Movement of the Revolutionary Left].

So they are confirming the opposition bloc's intention to create a more solid organization, backed by other representative institutions, in order to confront the government party's well-known "steamroller," which so far has scored some major victories without much difficulty, like the passage of the Privatization Law, the General Budget of the Nation, and the Executive Power Reform Act.

Although no details were mentioned, they confirmed that soon they will initiate contacts with other organizations interested in alternatives to government policies.

"The vital importance of the political forum is to work against the subjection and hegemonic unipolar system the government party is trying to impose on the Bolivian state. The forum should not be considered solely in terms of the particular situation in which it arose," said Barrenechea, referring to the crisis in Congress last week, "when the executive used its congressional majority and converted that power into a sort of sounding board for the government's objectives and aims."

Rueda added that "the political forum will meet and consider tactics and strategy, but it will not resort to guerrilla tactics against the government, for such action would be detrimental to democracy."

Both agreed that in addition to the parties, other important sectors should join forces to gain greater strength by working in an opposition bloc, like coca growers, teachers, and workers, "who are now unhappy with the nation's leadership."

Life or Death Issue

The task the opposition parties have set for themselves, said Barrenechea, is defending democracy against hegemonic assaults, which he considers a "life or death" issue.

"We are trying to find a scenario to create consensus on central issues of interest to political groups; to do so, we need to overcome the political and ideological differences of all the parties," he said.

Rueda Pena said these differences "will not be an impediment, as the forum is not a political front, but rather a mechanism for joint action by political parties that will retain their own ideological and programmatic identity."

He made it clear that beyond their own individual interests, they have common interests inherent in the present situation, like retaining and expanding democracy, protecting unrestricted respect for human rights and individual liberties, and revitalizing the work of Congress.

The forum did not select a leader, as it is a group of forces forming a front; they will only coordinate actions for specific goals, they added.

Something To Rely On

The lack of agreement among the parties in the government coalition favors the forum, whose members believe that will create equilibrium in relation to the opposition minority.

Disputes among the parties to the governability pact lent a dramatic touch to the creation of the forum. That dramatic nature, said Barrenechea, will recur frequently, as the problems are continuing.

That, according to politicians, will enable the opposition group to strengthen a front that can really prevent it from being crushed by the government party.

Institutions

Among institutions that might be a part of the opposition forum, there is the COB [Bolivian Labor Federation], which after the recent social conflicts showed that it has been revitalized. The opposition leaders believe the COB could be a key supporter, along with other union organizations. Other groups targeted as possible allies by the forum's plans are civic committees, professional organizations, neighborhood associations, and other sectors that might participate directly in meetings to plan shock strategies against what they consider "aggression" by the party in power.

Roundup of Economic Reports

PY3006225994

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 30 June.

The Central Bank has reported that the foreign reserves account registered a $55 million surplus through May. Foreign currency income totaled $700 million, while payments amounted to $645 million. All months registered a positive net flow except for January, which registered a $76 million deficit. (Santa Cruz EL MUNDO in Spanish 24 Jun 94 National Section p 3)

On 21 June Finance Minister Fernando Cossio reported that the Bolivian foreign debt amounts to $3.9 billion. He added that the government is complying with its payment commitments, and that $173 million has been projected in the 1994 general budget to serve the debt. (Santa Cruz EL MUNDO in Spanish 22 Jun 94 National Section p 4)

Taxation Under Secretary Antonio Soruco has reported that income and customs tax revenues totaled $274.9 million in the first five months of the year. During the same period last year these revenues amounted to $254.1 million. (La Paz HOY in Spanish 24 Jun 94 p 12)

Brazil

President Announces Implementation of Real

PY3006182194 Rio de Janeiro TVE Television in Portuguese 1341 GMT 30 Jun 94

[Address to the nation by President Itamar Franco, presiding at a cabinet meeting in Planalto Palace—live]

[Text] Mr. President of the National Congress, Mr. President of the Chamber of Deputies, Mr. President of the Federal Supreme Court, government leaders in the Senate and in the Chamber of Deputies, ministers, reporters, ladies and gentlemen, young men and women:

Men are built by a will, and this same will, together with hope, constructs nations and projects them—with the necessary aspiration for eternity—in time. More than wind, more than the voluble maritime currents, it has been will which has brought the caravels to this land, immediately opened the way throughout the arid and remote northern area of Brazil, and pushed the Tordesillas Treaty line further west up to the western edge of the Andes range, and which has built the most important society south of the Equator.

Throughout past centuries, and principally in this century, this powerful will lacked an essential virtue: The virtue of justice. Without a spirit of justice men can individually become prosperous but they cannot make nations wealthy. Without justice, which should be a practical instrument for rendering equal value to labor and goods, men lose their respect for the currency which, instead of serving the people, corrupts society, dissolves the moral values, causes hope to dwindle, and weakens the will.

With the arrival of the real on 1 July, Brazil has the opportunity to definitively change the course of its history. The currency is the nation's most concrete expression of confidence in itself. This is why all the inflationary processes in history are related to political and moral crises.

Inflation has levied on the poorest, on those who cannot protect themselves, the heaviest of all taxes: The tax of inflation. The poorest, the humblest workers, the majority of our people, are the ones who see their salaries being corroded mercilessly even the day after they are paid. They are the ones who really feel the effects of a labor market that does not grow in keeping either with our population growth or with the workers' expectations for a better life, because of the absence of productive investments which are channeled to speculation as a result of the effects of inflation.

The actions practiced in a democracy are marked by the qualities of ethics, responsibility, transparency, and dialogue. These qualities inspired the Real Plan since its creation and they will guarantee its success because they allowed the plan to be known and broadly discussed by society, congress, those concerned with economics, and the citizens.

Once again I address you to express the feelings and concerns of the common man, of those who, in their quest for justice and protection, turn to the president of the Republic as the repository of their hopes. At times I have been misunderstood when I did this, but this is the unwavering duty of a ruler. I know that now I am interpreting the feeling of trust of the majority of the Brazilian people, as well as their hope, which has seldom been so close to becoming a reality. This trust must be the main motivation of the government to continue fully engaged in the success of the Real Plan, because this trust is what moves each citizen who desires the total success of the plan. I do not doubt that such citizens constitute the majority of the people, a majority that is growing and participating, that is making the history of the new times that are beginning.

Messrs. Presidents of the legislative houses, Mr. President of the Federal Supreme Court, congressional leaders, ministers, ladies and gentlemen, young men and women, the governments's commitment to the success of the monetary stabilization plan will not be restricted to mere declarations and general financial administration actions. In order to preserve the new currency, we will resort to all the constitutional measures at our disposal. The government will not accept or allow private interests, which are not always legitimate, to prevail over the superior rights of the people.

The government knows that it can count on most of the Brazilian businessmen, who no longer need to add high

financial costs to their prices. They will now be able to work in peace and decidedly contribute to the total defeat of inflation.

A stable currency will do no good if it is based on economic recession. Our objective is development on solid bases to create fairly compensated jobs in a manner that will make all the Brazilian people proud of their country and willing to defend its sovereignty.

I repeat, the real is the political accomplishment of all the Brazilian people, who are tired of the injustices stemming from inflation and who are willing to turn this country into the land dreamed of by our founding fathers. With control and ethical dedication, the people alone will ensure the permanent success of the plan. The greatness of this achievement goes beyond the electoral moment we are living through. This is an effort that will be carried out by the entire nation, and one the president of the Republic must coordinate and administrate in order to—inalienably complying with his duty—leave to his successor, whoever is elected, a solid currency capable of promoting development with justice.

I am sure that every single one of you and every citizen of good will shares my same faith in this plan. Thank you. [applause]

I will now proceed to sign the provisional measure dated 30 June 1994.

Electoral Campaign Roundup

PY0107003094

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 30 June.

GENERAL ELECTIONS

Parties Spend $2.5 Billion on Campaign—The National Mint has sent a report to the Superior Electoral Court showing that the political parties have requested $2.5 billion worth of electoral bonds to pay for what they have so far spent in their campaigns. The Finance Ministry must inform the public of the total expenses foreseen for the 3 October elections based on the budget outlined by each party. The term for the parties' financial committees to officially declare how much money they intend to spend for the elections expired on 25 June. (Sao Paulo AGENCIA ESTADO in Portuguese 2014 GMT 28 Jun 94)

Court Orders Campaign Expense Accounting—The Superior Electoral Court, TSE, on 22 June ruled that each candidate seeking elective office in the 3 October election will be held personally accountable for the financial and accounting reports concerning his campaign. The TSE warns that if funds donated for electoral campaigns are diverted for other purposes, the candidate's registration would be canceled. The TSE ruling also requires that records of donations be kept for five years, and prohibits donations from local and foreign government agencies or private organizations receiving funds from abroad. The TSE ruling also bans audio or video campaign advertisement in closed public places such as movie theaters, clubs, stores, and exhibit halls. (Sao Paulo AGENCIA ESTADO in Portuguese 2257 GMT 22 Jun 94)

Free Electoral Advertisement Time—The Superior Electoral Board (TSE) has established that political programs to be broadcast over radio and television beginning 2 August must be prepared in studios, even if they are going to be broadcast live; that electoral propaganda must be restricted to the free electoral advertisement time; and that after candidates are appointed in party conventions, radio and television stations are forbidden to report on poll results, or to use montage or any other audio or video tricks to promote, criticize, or ridicule candidates. The free electoral advertisement time ends on 30 September. (Sao Paulo AGENCIA ESTADO in Portuguese 1751 GMT 29 Jun 94)

Workers Party Potential Examined—The Workers Party (PT) currently has 700,000 members and 120,000 supporters. It also has directorates in 2,304 counties. In the last elections the PT elected 53 mayors, four of them in the state capitals of Belo Horizonte (Minas Gerais State), Porto Alegre (Rio Grande do Sul State), Goiania (Goias State), and Rio Branco (Acre State). It also elected 17 state deputies, one senator, 36 federal deputies, and 1,400 councilmen. (Sao Paulo VEJA in Portuguese 15 Jun 94 pp 38-45)

PRESIDENTIAL CAMPAIGN

Court Approves Registry of Eight Candidates—The TSE unanimously approved on 23 June the registrations of eight presidential candidates. They were: Luiz Inacio da Silva (PT); Fernando Henrique Cardoso, Brazilian Social Democracy Party (PSDB); Leonel Brizola, Democratic Labor Party (PDT); Esperidiao Amin, Progressive Renewal Party (PPR); Eneas Carneiro, Party for the Redefinition of the National Order; Walter Queiroz, National Reconstruction Party; Hernani Fortuna, Social Christian Party; and Caetano Matano, Brazil's Workers Party (PT do B). The PT do B candidate's registration may be suspended because the party still has no definite registration or representatives in Congress. (Sao Paulo AGENCIA ESTADO in Portuguese 2333 GMT 23 Jun 94)

Two More Candidates Approved—The Superior Electoral Court approved on 28 June the request for registration of presidential candidates Flavio Rocha, from the Liberal Party, and Orestes Quercia, for the Brazilian Democratic Movement Party (PMDB). (Sao Paulo AGENCIA ESTADO in Portuguese 1952 GMT 28 Jun 94)

Sarney Allows Allies to Support Cardoso—Fernando Henrique Cardoso and Guilherme Palmeira, candidates for president and vice president respectively for the alliance made up by the Brazilian Social Democracy Party, the Liberal Front Party, and the Brazilian Labor Party (PSDB-PFL-PTB) were on 25 June celebrating former President Jose Sarney's decision to allow his political allies to support their alliance. "Sarney himself

assured me that he had authorized his allies to do so," Cardoso told GAZETA MERCANTIL. Sarney, who met with Cardoso twice on 22 June in the Senate and at Planalto Palace, informed Cardoso that he had authorized his allies, including his daughter Roseana Sarney, who is a candidate for the governorship of Maranhao State, to support the PSDB-PFL-PTB alliance. On the evening of the same day Guilherme Palmeira also learned of this decision during a meeting with Sarney in his home. Cardoso and Palmeira believe that President Franco's invitation to Sarney to represent him at the meeting of presidents from Portuguese-speaking countries in Lisbon contributed to Sarney's decision to allow his allies to support Cardoso. (Sao Paulo GAZETA MERCANTIL in Portuguese 26 Jun 94 pp 1, 6)

Candidates on Constitutional Revision—Three of the main presidential candidates favor holding an assembly exclusively for amending the current Constitution. Fernando Henrique Cardoso, (PSDB), Leonel Brizola (PDT), and Esperidiao Amin (PPR) also agree that the constituent assembly should last six months. None of the candidates oppose holding an exclusive constituent assembly, but Luiz Inacio Lula da Silva, from the PT, and Orestes Quercia, from the PMDB, say that the national Congress could amend the Constitution. Amin will suggest that the candidates support a constitutional revision in 1995, no matter who wins the elections. Lula is the only one who does not think the Constitution should be amended immediately. He believes it is first necessary to regulate the existing Constitution. President Itamar Franco, through the government leader in the Senate, Pedro Simon, is working in favor of an exclusive constituent assembly. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jun 94 p 7)

PSDB Candidate on Social Security—Fernando Henrique Cardoso, presidential candidate for the PSDB-PFL-PTB alliance, today demonstrated a difference of opinion with the Liberal Front Party. The PFL supports the privatization of the social security system. "I do not think we can simply privatize," Cardoso said on 26 June, "Brazil is not Chile." Cardoso favors a proposal known as Formula 95, by which workers could retire after obtaining 95 points, a figure representing the age of the worker plus the years he has worked. Cardoso thinks the PSDB can compromise with the PFL by favoring an option calling for the complementary retirement system envisaged in the Constitution. This system establishes that workers who earn more than 10 minimum salaries could choose to contribute to a private retirement plan that would complement the national social security system. Cardoso said that the role of the government should continue to be important for the large mass of low-income workers and pensioners. (Sao Paulo AGENCIA ESTADO in Portuguese 2305 GMT 26 Jun 94)

PMDB Candidate on Land Reform—PMDB candidate Orestes Quercia on 19 June met for the second time with representatives of the rural labor unions of Sao Paulo, Mato Grosso, and Mato Grosso do Sul. Quercia said that in his administration land reform would be controlled by the rural workers. After the meeting Quercia announced his land reform and settlement proposal. He reiterated that it would be possible for 3 million families to be settled, adding that he would ask for help from the private sector to implement his settlement program. "It will be the largest land reform and settlement program the world has ever seen," he said. (Sao Paulo AGENCIA ESTADO in Portuguese 2219 GMT 19 Jan 94)

Platform, Style of New CUT President Discussed

94SM0369A Sao Paulo ISTOE in Portuguese 25 May 94 pp 20-25

[Article by Carlos Jose Marques, Helio Gama, and Tao Gomes Pinto: "The CUT's New Face"; paragraphs in boldface and italics as published]

[Text] "Vicentinho" is taking charge of the most powerful labor union in Latin America and changing its style: firmness, smiles, and negotiation are the new words of command.

Deafening music was blaring from the poorly finished gymnasium belonging to the Association of Savings Bank Employees in Sao Paulo. Wearing shirts frayed by use, the over 2,000 delegates had already filled the bleachers and the chairs scattered around the playing court. Heavily bearded for the most part and with bags slung over their shoulders, they—real dinosaurs of the labor union movement—were waiting eagerly for the debates to begin. They represented various ideological factions: Trotskyite, Maoist, democratic socialist, and Stalinist. It was 1100. On the platform, hanging onto a microphone, a "comrade" announced that "filtered" water was available. He summoned the union officers to the table, which had been set up in the midst of all the wires, guitars, and drums, and the electric piano. The Fifth Concut, or Congress of the Sole Workers Center [CUT], the largest union organization in Latin America, was about to begin. Comrade Jair Meneguelli was the first to be called and was greeted with discreet applause. He was followed by a long list of 23 directors, secretaries, and treasurers, all of whom were greeted with embarrassing indifference. At the announcement of the last name—the man who was going to occupy the head of the table, a place usually reserved for the least representative leaders—the mood changed. Drowned in slogans, delirious shouts, and applause, the speaker could hardly finish pronouncing the name of Vicente Paulo da Silva. "You're the champion, go all the way, President," shouted one of his more uncontrolled supporters by way of encouragement. The crowd yelled: "You've already won, CUT, you've already won." "Vicentinho" was receiving an ovation. It was Wednesday the 19th, the first day of the CUT's meeting that would end with Sunday's elections to the new Executive Board, and this farmhand from the Northeast was the absolute favorite to fill the top spot in the union hierarchy of Brazilian workers.

For anybody else, the demonstration would have been enough to massage the most demanding ego. But not "Vicentinho." "They are applauding the CUT's prestige, not mine," he said resignedly, and he actually believed

that was possible. A typical attitude on the part of this migrant from Acari, a tiny town in the remote interior of Rio Grande do Norte. With a slight build, a timid smile, a complicated way of speaking, and a look conveying extreme confidence in everything he does or says, 38-year-old "Vicentinho" is taking control of the CUT with a new style. Above all else, he believes in compromise and negotiation instead of strikes and in giving one's word without the need for documents. Anyone talking to him gets the impression that he is an incurable optimist and a person who believes in people. To avoid falling into temptation in the vicinity of power—in routine meetings with ministers, industrialists, and authorities of the most varied kinds—he always repeats a kind of prayer that he himself invented: "I am here representing the workers," he tells himself silently. An example was when he recently visited Ford's headquarters in the United States to discuss the closing of a plant on these shores. In the suggestively named Renaissance Building in the city of Detroit, which is considered the sanctuary of the worldwide automobile industry, our union leader headed a group of metalworkers from Sao Paulo's ABC [Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul industrial area] who were there to talk to Ford's chairmen [in English]. "I didn't even know if they would agree to see me, but I said my prayer and was ready for anything, including having to stand at the door for several days." Through the influence of Rubens Ricupero, Brazil's ambassador to the United States at the time, Ford agreed to see him. He did not achieve much: a few promises to study the matter and the prospect of better relations with the company from then on.

But he brought back something important: the idea for the people's car, which he discussed with Ricupero while still in Detroit. Ricupero volunteered to get in touch with the minister of finance, who at that time was Marcilio Marques Moreira. The minister says: "He came to me, and I turned the matter over to the secretary, Dorothea Werneck, who took care of everything with the sectoral chamber." That was the kickoff for a proposal that turned the domestic auto industry upside down. That episode would have been enough by itself to put the name of "Vicentinho" in the union hall of fame. But he is ready to take on an even more daring mission: that of seeking the unification of all unions inside and outside the CUT. "The businessmen have only one national organization, and I am going to work to see that we have a completely unified union movement in our country," says "Vicentinho," referring to a merger of the CUT with the CGT (General Confederation of Workers) and Union Power. That is one of the most difficult tasks imaginable. Especially when one considers the resistance being encountered in the CUT itself. The CUT is an octopus of factions and groups (see the table below) ranging from extreme radicalism—which advocates even armed struggle—to a moderate wing that rejects the idea of a union movement based on results and advocates an improved quality of life for all the citizens. The new president wants to put an end to all that. He says firmly: "The CUT is a citizen of this country."

"Vicentinho" does not want intramural ghettos or political patrols. But he has already been their victim. A few days ago, while he was still campaigning for the union presidency, he received a counterblow from the United Workers Socialist Party (PSTU), the most combative of the CUT's factions. In its internal newspaper, members of that group published a report of the "scandal" variety "revealing" that the future president "had turned elite" because he was studying English. The level of radicalism among those union mammoths is so extreme that they challenge any show of fondness for other "social classes." For that very reason, the radicals did not approve of the fact that "Vicentinho" attended the wake for pilot Ayrton Senna. Veiled criticism was heard in the organization's corridors. "If they only knew how I wept when I heard the news; I was all broken up," says "Vicentinho." "The union movement needs to engage in self-criticism," he adds diplomatically. And he has support: "All that hateful side of the organization must be brought to an end. The CUT's new image must be one of dialogue," says Gilmar Carneiro, president of the Sao Paulo Bank Workers Union, who believes in modernization.

The congress had stopped for lunch, but the radicals stationed highest up in the bleachers were not leaving the gymnasium. The lobbying was constant. "What he is saying has nothing to do with the reality of the CUT, which has always been combative," claimed comrade Jose Maria de Almeida of the PSTU. And he continued: "The sectoral chambers that he is defending so much are irrelevant to us. The CUT came into being to combat that, and it does no good to try to force a social posture." The atmosphere was heating up. A comrade off to the side challenged the leader's statements: "That is treason!" Several people came to his support. One of them told the reporters: "Don't listen to what 'Ze' [Jose] Maria says; he's just making an ass of himself." There was laughter in the group.

Throughout its 10 years and some months of existence, the CUT—whose union empire covers all 27 units of the Union and has over 2,300 unions, 18 million worker members, and $11 million in annual income—has done its best to create a markedly extremist image. Strikes were its main instrument until recently, when its last three calls for a general strike failed and it began revising its positions. At the moment, the CUT is experiencing genuine perestroyka—undoubtedly encouraged now by the enthusiasm of its new commander. "Vicentinho" himself has been saying that "a union leader does not need to wear a beard, carry a bag that big over his shoulder, and wear big sandals." He goes on to say: "And he is allowed to laugh once in a while." When pressed to define an ideology for himself and the CUT, "Vicentinho" hesitates a moment. He says that essentially, what he is proposing is socialism but a socialism that has much more to do with reality. Democratic socialism? "That's it, democratic socialism." And, as though happy to have found the definition, he adds: "I define that as

the fullness of humanity." But he makes this reservation: "Let's not confuse that with social democracy. Social democracy has reached an accommodation."

"Vicentinho" feels that before thinking about the concept of socialism, the worker at the factory gate wants to know about his living conditions. "That is something for the CUT to follow up on." That is why the CUT is now beginning to concern itself with subjects which, until very recently, were kept entirely off the agenda. One example is sexual harassment in the workplace. Last week the CUT held a noisy protest at the entrance to Panex, a panel manufacturer, whose security chief is accused of having given a female employee a lift in his car and then changing his route and taking her to a motel. Because she resisted his explicit advances, the female employee was fired from her job.

The CUT is going to combat situations like that. It hopes to work with firms and unions to establish a kind of code of ethics to be followed and one that will have the power to put a stop to abuses. Those are features of the new administration. The CUT's more rancorous wing is gradually being isolated in small groups that will tend to disappear as time passes. Other changes are in the works. "Vicentinho's" platform-type report includes the following items: 1) a guarantee of unity in action and discipline; 2) closer relations with the rank and file thanks to the avoidance of isolated talk; 3) full solidarity with society in general, not just with union members but also with paper shufflers and rural workers; 4) involvement in campaigns to improve life, in ecology, against discrimination, and on behalf of young people's health; and 5) stronger ties among workers in Latin America and a number of other new ideas that will give the CUT a firm foothold in modernity. He says in conclusion: "What we need is to do a better job of stitching together social relations."

That will amount to turning the organization upside down, and to achieve that goal, almost all the leadership cadres are going to be replaced. From this Sunday on, 90 percent of the seats at the top will have new occupants. The difficult task for the CUT in the midst of this entire flip-flop will be to free itself of problems that have harmed its image, an example being the assassination of union leader Oswaldo Cruz, Jr., president of the ABCD [Santo Andre, Sao Bernardo do Campo, Sao Caetano do Sul, and Diadema] Bus Drivers Union, at the start of this year. Cruz, Jr., was the chief source of accusations of corruption against the CUT, and the organization is accused of involvement in the crime. Its always controversial campaign contributions also weigh negatively on the image of the CUT, which reportedly made illegal donations to the PT [Workers Party] campaign in 1989. That topic is coming up again with the new campaigns in the streets.

The heat that was taking hold on the platform and out on the floor of the gymnasium, where the Concut meeting had been under way for over four hours, was causing undisguisable perspiration to appear on the officers. Meneguelli, who was also out of breath, was talking about the CUT's gains under his leadership. He supported his successor: "He has lengthy union experience and is more than qualified." He gave the floor to special guest Luis Inacio Lula da Silva, the PT's presidential candidate. There was more applause and shouting. The candidate temporized: "I do not believe in a democracy without strong unions." And, surprise of surprises, Lula asked the CUT to avoid contributing to his campaign. At the corner of the table, "Vicentinho," who had remained quiet until then, backed that request and established a slogan ("political commitment yes, financial support no)" to guarantee the union's autonomy. That issue, a controversial one, was not resolved until the next day, when the majority backed the new leader's proposal. But "Vicentinho"—who did not fail to criticize the PT, saying that "the party is wrong to confuse the union movement with politics" (he was objecting to the request that the CUT stay calm during the recent work stoppages)—is the first to be thinking of breaking that rule. The farmhand is considering the possibility of setting aside 50 URV's [units of real value] per month out of his meager salary of 1,020 URV's as a quality inspector laid off by Mercedes-Benz to give to the party. He will decide before the congress ends.

From the standpoint of both his way of speaking and his career as a former worker in the ABC who went on to preside over the region's metalworkers union, the fact is that the steps taken by "Vicentinho" are indissolubly linked to those of Lula. He rejects the comparison but does not deny his admiration. He knows that as head of the CUT, he will be faced with one of the biggest political dilemmas in that organization's history. Divided between two scenarios—Lula's victory or defeat in the election—the CUT is walking a tightrope between its two alternatives: being the opposition or part of the "in" group. As far as "Vicentinho" is concerned, the union leaders should never leave the opposition under any circumstances, "although it will be very easy to negotiate with a workers' government." "We will root for his victory, but we want to have the authority to challenge Lula and even to go on strike if necessary," he says. In his view, his future position [as CUT president] "is more important than that of a federal deputy," so he is not thinking of a political career at the moment. That raises the question of whether he is hurling a dart in the direction of comrade Jair Meneguelli, who is going to run for deputy. When asked, "Vicentinho" merely smiles. Invitations to enter politics have not been lacking. In 1982, at the very start of his union career, he was invited to run for municipal councilor in Diadema. Four years later, he was asked to run for state deputy and then for federal deputy. There were also two opportunities to become the town's mayor, and, finally, Lula himself conducted an informal poll, saying: "Well, guy, aren't you going to be my minister?" "Vicentinho" turned down all those offers.

The surprising thing about the union leader's indifference to prestige is that he insists on maintaining the same lifestyle that has characterized him from the start. He

lives in a modest two-bedroom house in the Sao Paulo city of Sao Bernardo. "Vicentinho" does not own a car—he drives an old black Gol that is owned by the union—and he lives on his salary plus the 280 URV's that his current wife, Roseli Oneide Zerbinato, 28, earns as a primary schoolteacher. He also supports five children—four from a previous marriage (Hudson, 16; Huguinho, 12; Robinho, 10; and Roberto, seven) and one from an extramarital relationship: four-year-old Luana. That period of his life—capable of ruining the career of any politician or public figure anywhere in the world—was gotten around very skillfully by "Vicentinho." Luana was born of an extramarital relationship when he was still living with his former wife, Josefa. The next day he went on the TV program "Women on Parade" and announced the news to the world. "So as not to have the same problems that Lula had with Lurian." And he goes on to joke: "Even at times like this, comrade Lula's experience helps people." He had Luana registered as his daughter and introduced her to his other children, and today they are all friends. He separated from Josefa immediately thereafter and then fell in love with Roseli, who was the union's secretary at the time and whom he married last year with festivities that were attended by Minister Walter Barelli, Luiz Adelar Scheuer (president of Anfavea [National Association of Automotive Vehicle Manufacturers]), and Lula, among others. Roseli gave up her job with the union and a salary of 1,200 URV's per month so as not to cause gossip about her husband, who, let it be said, was earning less than she was even though he was her boss.

At every step of the way, "Vicentinho" has always been concerned not to give grounds for accusations of favoritism. There is no record of "Vicentinho's" ever taken advantage of his position, and whenever power tempts him, he remembers: "I am here representing the workers." He has been doing it for exactly 13 years, ever since he became the union's vice president as Meneguelli's running mate. A few months before that, the native of Rio Grande do Norte, whose nickname was "Sagui," had entered a union assembly for the first time. On that day, he was so far out of touch with what a union was that he dressed in his best clothes. "I thought it was something like the Legislative Assembly," he recalls. His enthusiasm for the union movement took hold at an early stage: back in the 1970's, when he left a job in Acari during the drought to help Father Deoclides on church missions. He hesitated between going to Manaus and going to Sao Paulo, but left his hometown at the age of 20 years and showed up at Mercedes-Benz in 1978, two weeks after a strike. His honeymoon with Josefa consisted of the 56-hour trip, after which he stayed with a friend who had accompanied them on the bus. Josefa, whom he still affectionately calls "Preta," went to work as a domestic.

At the end of Concut's second day of work, few people still had any doubts about the changes that would be undertaken by "Vicentinho." In the midst of the debates, over 50 delegates representing unions from all over the world witnessed the formulation of the CUT's new internal regulations. Union leaders from France, Spain, Germany, Italy, Argentina, Israel, and a dozen other countries were there to hear him. "Vicentinho" talked about "social dumping"—the allegation by international manufacturers that Brazilian products are cheap because manpower is also cheap. "That is hypocrisy on the part of the multinationals, which set up subsidiaries here and then speak in their defense." In the union leader's opinion, those pressures are part of the capitalist fantasy that is always lurking in our minds. He has nothing against their benefits, but he is going to combat their shortcomings.

Generally speaking, "Vicentinho" no longer views all employers, businessmen, and government officials as flour out of the same sack. He has learned to distinguish the wheat from the tares (see his remarks on some of those figures [not included here]). He has also come to be respected by most of them, who sit at his side during interminable negotiations. "He is a charismatic figure whose ethical behavior is outstanding and who is going to change the CUT's image," says Scheuer. "I have a lot of respect for 'Vicentinho,' a genuine union leader who does not use his position as a leader to promote himself," agrees Mario Amato, president of the National Confederation of Industry.

In this case, that unanimous favorable opinion of "Vicentinho" is not foolish. The former itinerant farmworker has once again established the principle of negotiation as a way of engaging in politics, and with it he hopes to leave the CUT's radical phase behind. It was not easy to reach that point. Before he got there, "Vicentinho" had some difficult moments as he moved up in the union. He went on an 80-hour hunger strike in 1991 to protest layoffs at the Brastemp [expansion not given] plant. His political rights were revoked in 1983, and he was sentenced to a year in prison the year after that. He literally faced bullets with bared chest during the strike and street riot at Arteb [expansion not given] in 1989. At what he describes as one of the most remarkable moments in his life, he was booed by 80,000 workers at the Sao Bernardo City Hall after reading the proposal he had agreed on with the employers. He does not regret it. "Every time we sit down around a table and reach an agreement, we live up to that agreement. That gives credibility." All those moments have provided him with the necessary qualifications for this new mission from which he believes he will emerge with a new certainty: the CUT will never be the same again, and neither will "Vicentinho."

CUT Factions

1. CUT for the Rank and File: In the center. It supports a more modern administration under "Vicentinho," although it doubts whether he has enough experience to head the organization. It warns that the CUT's characteristics cannot be changed.
2. PSTU (United Workers Socialist Party): One of the CUT's most radical factions. It supports the CUT's

independence and abhors any kind of agreement with, for example, the sectoral chambers.
3. Classist Union Faction: Supports a union movement based on resistance with a permanent policy of negotiation. It disagrees with parts of the new president's policy and questions his ability to lead the central union.
4. Union Unity: Moderate. It prefers to wait before drawing conclusions about "Vicentinho's" management. It believes in the value of constant negotiations, but also supports respect for the central union's stands.
5. Alliance: The main faction in the CUT, its origins are in the union actions in Sao Paulo's ABC. It has 57 percent of the votes in the CUT and supports "Vicentinho" completely.

Chile

Ecologists Advocate Bilateral Trade With U.S.

PY0107022094 Madrid EFE in Spanish 1814 GMT 30 Jun 94

[Text] Santiago, 30 Jun (EFE)—The Political Ecology Institute (IEP) of Chile today asked the government of President Eduardo Frei for a change of direction in the negotiations for a free trade agreement with the United States, and demanded a national dialogue with the participation of all sectors.

In a declaration released today the Chilean ecologists also said that the establishment of a bilateral agreement with the United States "is the least harmful path in safeguarding the country's labor and environmental rights."

The IEP also reiterated its absolute rejection of the idea that Chile join NAFTA [North American Free Trade Agreement], and recalled that this position is shared by the United Labor Federation (CUT).

The declaration says: "The ecologists are very happy about the failure of the efforts made by the Chilean political-business class to join NAFTA directly."

President Frei met in Washington on 28 June with U.S. President Bill Clinton and other U.S. officials, who expressed their preference for a bilateral trade agreement with Chile.

Although Clinton said he did not have a concrete opinion on this issue, according to the ecologists it is clear that Chile will not join NAFTA, which is made up of the United States, Mexico, and Canada, although the two countries agreed to study a model agreement that includes this possibility at a later stage.

According to the ecologists, a bilateral agreement will allow Chile—and especially the labor groups—to incorporate clauses safeguarding the rights to strike, collective negotiations, and other benefits.

The IEP called on the government to establish a permanent council, with the representation of all the sectors affected by an eventual treaty, to study the pros and cons of the initiative.

The IEP also asked for public regional and sectorial meetings to be held, even allowing for a possible plebiscite if the national community appears divided on the issue.

Roundup of Economic Reports

PY3006230194

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 30 June.

Statistics from the Institute for Export Promotion show that Chilean exports to Latin America rose to $660.4 million between January and April, an increase of 18.4 percent as compared with the same period in 1993. Argentina is the leading market, having received $186.1 million in Chilean exports, an increase of 16.3 percent over 1993; exports to Brazil were $131.2 million, a drop of 0.7 percent; Peru received $89.9 million in Chilean exports; and Mexico received $74.1 million, an increase of 70 percent. Exports to Asia amounted to $1.0804 billion and to Africa $24.2 million, increasing 3.1 percent and 141 percent respectively as compared to the previous year. Sales to the United States and Canada totaled $706.1 million, a drop of 0.6 percent, while exports to Europe were $856.7 million, a drop of 13.7 percent. (Santiago EL MERCURIO in Spanish 16 Jun 94 p B2)

On 15 June the National Statistics Institute reported that industrial production grew 2.3 percent in the year's first four months as compared with the same period last year. Oil and coal production registered the highest increase, with 35 percent; the glass industry increased by 22.3 percent; machinery, excluding electrical, went up 17.2 percent; and furniture and accessories rose 16 percent. Textile production dropped 12.4 percent; chemicals by 9.6 percent; electrical appliances went down 8.4 percent; and leather products slumped 8.3 percent. (Santiago ESTRATEGIA in Spanish 16 Jun 94 Economic Section p 4)

On 20 June Leon Sougarret, manager of the National Petroleum Enterprise, ENAP, in Magallanes, reported that the first oil platform installed in Argentine waters in the Magallanes Strait has been producing an average 1,400 cubic meters of oil daily since 17 June. He stated that ENAP and Government Oil Deposits reached an agreement whereby Chile will exploit the total production for the first five years, considering that the first stage of the investment has been financed by Sipetrol, which is an ENAP branch. Sougarret stated that domestic oil production was 60,483 cubic meters in May, 3-4 percent less that in the same month last year. (Santiago EL MERCURIO in Spanish 21 Jun 94 p C10)

On 15 June Mining Minister Benjamin Teplizky voiced the government's disagreement with the decision made by the Canadian company Lac Minerals to leave the consortium it had created with the Cyprus company to purchase 51 percent of the shares of the El Abra mine. Lac Minerals President Peter Allen met with Teplizky to brief him on the plan to implement new projects worth $400 million in the country, of which $100 million had already been invested. (Santiago EL MERCURIO in Spanish 15 Jun 94 p B3)

Colombia

High Court Rules Prosecutor General Must Retire

PA0107015594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 1 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] Prosecutor General Gustavo de Greiff was appointed to a four-year term, of which he has only served two years. Nevertheless, he is a judicial branch employee, and the Constitution stipulates that these employees must retire at the age of 65. This is why, when Prosecutor General de Greiff turned 65 on 20 June, he consulted the Supreme Court on whether he should complete his term or immediately retire. Today, after an exhaustive review, the Supreme Court ruled that the prosecutor general must retire.

[Begin Magistrate Ricardo Calvete recording] Simply put, we are saying that current rules governing mandatory retirement age for judicial branch employees also apply to the prosecutor general. [end recording]

This decision also affects all high court magistrates, who must also leave their post when they turn 65. The Supreme Court today informed President Gaviria of its decision. He, in turn, must name three possible candidates to succeed Prosecutor General de Greiff.

Tonight, the prosecutor general spoke nostalgically of his retirement:

[Begin De Greiff recording] Two important thoughts come to mind: First, the satisfaction of returning to Colombian society—a humble and unpretentious society that retains confidence in the justice system; second, a great appreciation for those who accompanied me in creating, forming, and structuring the Prosecutor General's Office. [end recording]

Possible Candidates Named

PA0107022294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 30 Jun 94

[From the "Seven O'Clock Newscast"]

[Text] Despite existing divisions within the Supreme Court to determine whether Prosecutor General Gustavo de Greiff must retire because he has reached the mandatory retirement age of 65, Supreme Court President Ricardo Calveta today said that in this case we should do what the Constitution states, meaning that De Greiff should retire.

Several jurists are being mentioned to replace him. Because of the role of this man—one of the most respected and controversial figures in our country over the past few years—the Supreme Court's decision has been extremely difficult. A tie vote reached among the magistrates led to the appointment of a comagistrate who will ultimately decide whether De Greiff remains in his post or retires.

Many people are already talking about possible successors. The "Seven O'Clock Newscast" has learned that the government is already thinking about several candidates to replace him, if the Supreme Court rules it should draw up a new list.

The list includes: Jaime Bernal Cuellar, a lawyer who is an expert in criminal law, is knowledgeable of the justice problems in the country, and has ample support and credibility in judicial branch circles; Justice Minister Andres Gonzalez Diaz, who is very close to the Prosecutor General's Office because he has worked in several areas related to its development; Fernando Brito Ruiz, director of the Administrative Department of Security, who has a great deal of support from high-level government officials; Horacio Serpa Uribe, who has been the No. 1 candidate to occupy the post, and even though he is President-elect Ernesto Samper's government minister-designate, he has not been ruled out; and current Attorney General Carlos Gustavo Arrieta, whose views on subjecting criminals to justice and his extensive knowledge make him an unavoidable candidate.

The Supreme Court, however, has the final word on all of this.

Gaviria 'Harshly' Scolds Finance Minister

PA3006181094 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 30 Jun 94

[From the "Seven O'Clock Newscast"]

[Text] President Gaviria harshly scolded Finance and Public Credit Minister Rudolph Hommes for questioning the economic policies of the new government.

[Begin Gaviria recording] I believe Minister Hommes is not a journalist, nor is he an academic. Our task—for we members of the government—is to fulfill our obligations, to keep to our mandate, and to comply with the commitments we have made. Our mission is not to evaluate whether the next administration can or cannot do its job, and I do not believe this is Minister Hommes' task. [end recording]

After scolding Minister Hommes, President Gaviria changed his image as a president issuing a reprimand to the image of redeemer in the church in Belalcazar, a

village affected by the earthquake and avalanche. Here Gaviria swore in Gustavo Wilches, director for the recovery of the Paez Region. The president heard complaints, and he proposed solutions. For example, aerial transportation in the area will not be suspended until the road buried in the avalanche is rebuilt.

Hommes warned today that the upcoming coffee boom will be needed to recapitalize the coffee fund. In an exclusive interview with the "Seven O'Clock Newscast" he said he feels scolded by President Gaviria, but he does not want to ask for forgiveness.

[Begin recording] [Unidentified reporter] Mr. minister, how is the good coffee news for the country being taken?

[Hommes] I think the news is excellent; the price of coffee again rose today and we will today decide whether there is to be a domestic price increase—I think there will be. It has to be a moderate increase for the time being, but nevertheless an increase.

[Reporter] What do you call moderate?

[Hommes] No, I cannot mention any figures. Our meeting will probably last until late tonight, but I believe it will be a satisfactory increase. The philosophy behind the price increase is to begin to recapitalize the coffee fund and to leave room for the next administration to also decide how they will handle the boom.

[Reporter] Mr. Minister, you expect this boom to be big?

[Hommes] I see foreign prices reaching $1.40 to $1.45 a pound, and I feel very sure we will still have those prices next year.

[Reporter] Mr. Minister, tell us about the president's scolding.

[Hommes] I feel scolded.

[Reporter] Any regrets?

[Hommes] No. [chuckles]

[Reporter] Had he scolded you before?

[Hommes] No, I believe this is the first scolding, the first public scolding.

[Reporter] You see it as the departure scolding?

[Hommes] I trust there won't be any more.

[Reporter] When will he give you the last embrace?

[Hommes] [laughs] I believe on 7 August. [end recording]

We were also able to get Dr. Guillermo Perry, finance minister-designate, to speak to us about the controversy. We must say he was a gentleman.

[Begin Perry recording] Minister Hommes has done a respectful job. He is the minister until 7 August and he will continue to handle the government's economic policy. We are cordially working with him, and we are drafting the government's proposal. I know that Minister Hommes has not had the time to learn about our proposals in detail. [end recording]

Government Offers Aid to Venezuela in Crisis

PA3006195494 Madrid EFE in Spanish 1815 GMT 30 Jun 94

[Text] Santa Fe de Bogota, 30 Jun (EFE)—Through Foreign Trade Minister Juan Manuel Santos, the Colombian Government today offered to help the Venezuelan Government overcome the neighboring country's financial crisis. Santos added that Colombian authorities will not take measures "that might harm integration in the long term."

We have affirmed, Santos said, "that we are willing to help as much as we can in whatever they need, because in the long run, Venezuelan stability is going to favor us."

The Colombian minister said his country offered "support for any type of credit through, for example, the Latin American Reserve Fund. We are ready to work with them in any way necessary."

Santos indicated that "so far, apart from the devaluation, which has only a temporary effect, the measures that have been taken (by the government of Venezuelan President Rafael Caldera) have not had an impact on integration with Colombia."

The minister said the request by Colombian businessmen for a postponement of the general reduction of duties agreed upon with Venezuela can be viewed as good or bad. The senior Colombian official explained that the businessmen have asked that the common external tariff be postponed until the Venezuelan situation is stabilized, but, he added, "one can also argue that an external tariff at this time bolsters integration."

The Colombian industrialists on Tuesday asked the administration of President Cesar Gaviria to postpone the negotiation of the Andean Common External Tariff (AEC) in view of Venezuela's serious economic crisis.

Colombian Finance Minister Rudolf Hommes said that same day that he hoped the Venezuelan president's measures would not have serious consequences for the binational economic integration process. Hommes said that if there is strict control of foreign currency, Colombian exports to Venezuela could be normalized.

Foreign Trade Minister Santos also said today the Venezuelan measures will not affect trade agreements such as that of the Group of Three (Colombia, Mexico, and Venezuela). "It is not a case of not having faith in the policy of another government. "On the contrary," Santos said, adding that the Colombian authorities hope the measures taken by Caracas mean that "Venezuela has hit bottom and is going to stabilize."

Ecuador

Crisis Affecting Center-Left Analyzed

94SM0370A Quito VISTAZO in Spanish 19 May 94 pp 6-8

[Article by Carlos Jijon]

[Text] "They have been wiped off the map," Guayaquil Mayor Leon Febres Cordero cried jubilantly on election night. In fact, the parties of the center-left, reduced to the smallest vote count since democracy was restored in 1979, have not disappeared entirely. But the days when they were, if not the ruling party, the main opposition force, are over. With Sixto Duran-Ballen ensconced at Cardondelet, Leon Febres Cordero in Guayaquil City Hall, and Jaime Nebot dominating the first majority in Congress and the Supreme Court, the center-left has been pushed out of the political spotlight and now faces, for the second time, the prospect of a presidential election without a candidate of national stature.

End of the Center-Left

Both Democratic Left (ID) and the Popular Democracy Party (DP) were caught in the middle of a reorganization when the 1994 elections occurred. Afflicted by the natural wear-and-tear of exercising power, the Democratic Left had more serious problems: In the wake of Andres Vallejo's leadership, the party was almost disbanded. "It was essentially a desk-bound leadership," say the harshest critics. "It took an intensive effort just to maintain the party's vote count, because at the rate we were going, tragedy was about to strike," says Jorge Gallardo, who took over the leadership in December 1993. "I think we were successful: ID is the third highest vote-getter in the country, with 8 percent of the national vote, the same as in the 1992 elections. To put it in economic terms, we achieved stabilization; now comes the growth."

Popular Democracy is in a different situation: The party had already been restructured, and Osvaldo Hurtado was in command. "It is a desk-bound leadership" as well, Deputy Ramiro Rivera told the press. Rivera has now been elected to the Quito City Council. Other analysts point to a certain element of government boosterism in the Popular Democracy Party, which publicly supported President Duran-Ballen on matters such as calling for a popular referendum. "That is one hypothesis," says Hurtado in his own defense. "But ID set itself apart with its merciless attack on the government, which can do no good in their eyes. Then how do you explain the fact that they have fewer deputies than we? That is not the explanation."

"They did not apply good marketing principles in the campaign," says outsider Jaime Duran Barba, head of Informe Confidencial, one of the most important political consulting firms in the country. "The country is at the point where voters are looking for young men, rejecting the older candidates with vast political experience. And ID, in particular, decided to run its old militants, people with long records, doing this despite what the polls were saying."

But aside from what is happening within the party structures, the plain fact is that the center-left, as an ideology, is in crisis. "The concept, the very name center-left, is politically bankrupt," says former President Osvaldo Hurtado, one of the great theoreticians in that sector since 1979. "It had a raison d'etre, a voice, and it yielded results in the 1980's, but I think that it no longer has a role to play in the 1990's," he adds. He is not the only one who thinks that way: In Guayaquil, the national director of the Democratic Left, Jorge Gallardo Zavala, who served as finance minister in the most leftist government of the last decade, is even harsher: "The political discourse of the center-left is getting further and further afield; it has lost touch with reality and can no longer articulate proposals to solve national problems. It is living in the past, with nostalgic pronouncements about the days of the Economic Commission for Latin America (ECLA), protectionism, and dependence—the whole framework that collapsed after the crisis. If it does not change its discourse, it will have absolutely nothing to do, not just in 1996, but beyond 1996."

The National Front

In his office at the Corporation of Development Studies (CORDES), Dr. Hurtado is designing a great National Front that will oppose the candidates of the right. This front will go beyond "the 10 or 12 parties that do not agree with Nebot's candidacy, and will represent a much broader sector." Although the first candidate Hurtado names is Rodrigo Paz, he is open to the idea that the anointed candidate may be someone outside his own party, perhaps someone outside the center-left, an independent. Hurtado goes even further and says that the front "should have a platform defined in terms that correspond to the development of modernity. It should accept the obvious fact that we need a vigorous, competent state, but not one that is in charge of all activities. The front should value all the contributions that the private sector can make to national development." In short, the front will no longer be in the center-left.

But although Democratic Left insists that the candidate must come from one of the two major parties in this sector, the idea of a front that will be broader than the center-left is catching on. "It may be possible if it can incorporate other national sectors: peasants, Indians, professionals, and other business and social groups," says Jorge Gallardo. "The only point that may be a common denominator revolves around a far-reaching constitutional reform that will allow for the regionalization of the country, a structural reform that will make it possible to change the country's political organization. Otherwise, economic reform cannot be successful: It will concentrate everything in a few hands, excluding everyone else. Political reform is a *sine qua non* for the success of the economic reform. That would be the platform on which we would base our government program."

Natural Ceiling

But is it possible to make that front a reality? "The world is made of dreams, illusions, and we can dream that that might be feasible," says Rodrigo Paz, the candidate preferred by Osvaldo Hurtado. A quick glance at these parties suggests, however, that the dream of a center-left front is just that: a dream. Although Osvaldo Hurtado has even admitted publicly that he would support the candidacy of former President Rodrigo Borja "if reelection were to be permitted and Rodrigo Paz were not the candidate." The way things are going, sources close to the situation believe that the two parties will most likely compete separately in the presidential elections. The matter has already been decided for Popular Democracy: Paz is the anointed candidate. Many think that the former mayor of Quito will not run under the present circumstances, but Hurtado is optimistic. In fact, when he ran for mayor of Quito, only 4 percent of the voters said they intended to vote for Paz, while 50 percent said they planned to vote for his main rival, Fabian Alarcon. "He is a great campaigner," says Hurtado. "He is an alternative for 1996, so I do not at all underestimate the amount of organization Candidate Nebot will bring to bear, the importance he will attribute to this, and above all, the huge war chest he has available to finance his election campaign."

The Democratic Left must still define its terms. Although he denies it, Raul Baca seems to have been definitely ruled out after coming in fourth in Pichincha. The contest is now between Andres Vallejo and Jorge Gallardo, who currently wields control of the party and seems to have a better chance of winning the nomination.

Both the ID and DP are operating on the theory that Jaime Nebot has reached "his natural ceiling at 24 to 25 percent of the national electorate," according to Jorge Gallardo. That would be enough for him to win the first round of voting, but he would have to go into a runoff. "The millions spent on the campaign and all of the public appearances by Candidate Nebot were aimed at that, at preventing anyone from emerging as a contender in 1996, at scaring everyone off," says Osvaldo Hurtado. But "he failed absolutely at that. There will be a runoff. But everything will depend on what happens in the next two years. And citizens are very fickle when it comes time to cast a vote. Candidates who are thought to have disappeared win elections in Pichincha. Ruling parties against which all the antigovernment advertising is aimed end up winning. Parties that have done no advertising do well at the ballot box. And to put it in numerical terms, Candidate Nebot won a quarter of the national vote. Three-quarters of the country did not vote for the man who thought he had already been crowned president of the Republic. We will have to work with them." The objective of the ID and DP is, then, to beat Bucaram to get into the runoff. "And that is where a new party emerges: It depends on what the center-left does right and what it does wrong."

Decade of Labor Conflicts Analyzed

94SM0370B Quito EL COMERCIO in Spanish 25 May 94 pp 1, 17

[Text] Ecuador has had more labor conflicts in the last decade (1983-93) than most other South American countries. It ranks right after Brazil, Argentina, and Peru when the size of each country's economy and population is taken into account.

At the same time, our country has the third-lowest basic wage in the region: $30 per month, a figure that has not changed since July 1993.

Between 1990 and 1993 alone there were 913 collective labor conflicts and 309 legally registered strikes, both in public institutions and private businesses.

A total of 47,743 workers participated in these activities.

The measures were concentrated in the Provinces of Guayas and Pichincha, which accounted for 68 percent of the country's labor-management conflicts.

The fundamental cause of work stoppages is the basic wage earned by workers, which is constantly being eroded by inflation.

Another reason for strikes and collective conflicts was layoffs and dismissals of workers in various sectors of production.

This year, between January and April alone, 246 workers lost their jobs at several companies, complains the Ecuadoran Confederation of Free Trade Union Organizations (CEOSL).

The Labor Ministry does not have up-to-date statistics on these matters.

Several work stoppages were staged to show solidarity with striking workers at other companies and help them win their demands.

Other causes include:

- Nonpayment of back wages
- Nonpayment of compensation and benefits
- Nonpayment of overtime
- Working conditions

The large number of labor conflicts weakened workers' organizations, however, because often they were unable to win the benefits they sought.

The lack of unity among unions caused 56 labor organizations to disband in 1993, and more than 10 face the same fate in 1994.

A collective conflict is a dispute between a group of workers and one or more employers, generally involving a disagreement over financial matters in the employment relationship.

According to statistics from the Labor Ministry and the Sole Workers Front (FUT), between 1983 and 1993 there were 3,195 collective conflicts.

The years with the most conflicts were 1988, 1989, and 1990, when 1,098 conflicts were declared, representing 33 percent of all conflicts during the period in question.

The statistics show that the Province of Guayas has had the most labor unrest in the last decade, with 1,205 collective problems.

Pichincha is in second place, with 848 conflicts during the same period.

In 1992, 186 labor conflicts were declared in the country, 91 in the public sector, 87 in the private sector, and eight in the mixed sector.

In 1993, the number of conflicts dropped to 96, of which 52 were in the public sector, 38 in the private sector, and six in the mixed sector.

Although there are far fewer state institutions than there are private business firms, more labor conflicts took place in the public sector. Why?

In the state sector it is easier to form labor organizations, and there is more job security and other benefits and assistance not found in the private sector.

Let us look at the reasons why workers have conflicts with their employers:

- 38 percent of collective conflicts were declared because of the failure to pay back wages.
- 35 percent were called because the employer failed to pay the minimum wage.
- 24 percent were called to demand raises.
- 4 percent involved the payment of overtime.

Collective Labor Conflicts—Business Liquidations Due to Losses—1983-93

Year	Labor Conflicts	Business Liquidations
1983	328	13
1984	329	14
1985	289	15
1986	272	17
1987	309	24
1988	397	12
1989	362	13
1990	339	2
1991	290	5
1992	186	1
1993	96	1
Total	3,197	117

Source: Labor Ministry-FUT

Most labor problems are due to the unequal distribution of wealth, which has forced the workers to make demands, according to a study conducted by the Central University.

In addition to collective conflicts, there have been strikes. During the same 10-year period (1983-93), there were 1,019 work stoppages.

According to labor law, a strike is a collective suspension of activity by organized workers.

In this type of union action that pits employee against employer, Guayas is still the leading province, with 402 strikes.

Pichincha is in second place, with 306 strikes during the same 10-year period. The two together account for 70 percent of all labor disputes.

Strikes take place for various reasons, including:

- Employers' refusal to accept demands
- Layoff or dismissal of workers
- Solidarity with legal strikes

Most of the objectives pursued by the unions were financial in nature, in view of the declining buying power of wages and the constant inflation that has plagued the country over the last decade.

As a result of the strikes, the number of man-days lost reached 4.4 million over the last 11 years.

The years when the most working days were lost were 1983, 1988, and 1989.

In 1994, both collective conflicts and strikes are on the rise because of the possibility that some state companies will be privatized.

Strikes Declared in Ecuador—Number of Workers Participating—1983-93

Year	Strikes	Workers Involved
1983	97	13,913
1984	96	13,866
1985	72	9,248
1986	78	11,963
1987	74	13,904
1988	126	51,083
1989	167	51,684
1990	140	24,392
1991	87	9,664
1992	47	7,954
1993	35	5,733
Total	1,019	213,404

Source: Labor Ministry-FUT

[Box, p A-17]

Conflicts and Liquidation of Some Businesses

As a result of disputes between labor and management, several businesses and companies shut down.

The workers' position caused dozens of lockouts between 1983 and 1993.

A lockout is a suspension of activity agreed upon by employers or management entities.

During this 10-year period, 34 employer lockouts were called, 10 of them in 1983, five in 1984, and five in 1988.

In addition, more than 100 businesses were liquidated during this period. Liquidation occurs when an employer notifies the workers in writing, with one month's notice, that activity will cease permanently.

Business owners liquidated 117 companies during the 10-year period. Between 1985 and 1987 alone, 56 companies shut down, representing 48 percent of the total.

Geographically, 50 liquidations occurred in Pichincha and 38 in Guayas Province. There were fewer closures in the rest of the country.

According to the INEC [National Statistics and Census Institute], approximately 8 million Ecuadorans live below the poverty level, while a small number of economic groups hold most of the country's wealth.

"This situation has prompted the workers to organize into unions in an effort to improve their living conditions."

The study indicates that labor is a primary ingredient in the production process, and notes that the country has a highly skilled work force that is eager to modernize.

"Any development strategy applied in the country must consider the worker as the agent of production, and therefore must seek coordination with the state."

[Box, p A-17]

Labor Organizations on the Decline

Labor organizations in the public and private sectors blame the governments that have held office over the last decade for the social conflicts the country has endured.

Juan Andrango, president of the Confederation of Trade Union Organizations, stated that the economic models implemented during the last few years have forced the workers to resort to strikes to exercise their rights.

The labor movement has become weakened recently, however, because of the mechanism for voluntary resignations that has been applied, primarily in the public sector.

In addition to the resignations, there are untimely dismissals, business liquidations, and other factors that increase the unemployment and underemployment rates, he said.

Just between 1990 and 1993, 50 workers' organizations disbanded, 23 of them in Pichincha, 20 in Guayas, six in municipal jurisdictions, three in the rural sector, one in the sugar industry, two in Chimborazo, and four in Cotopaxi.

The causes of the trade union crisis are the impact of labor reforms and the policy of weakening organizations.

These are critical times for public servants, because the labor movement is going through a period of divisiveness and selfishness that has hampered the mobilization of organizations in the country, according to Henry Llanes, secretary of the Association of Petroecuador Workers.

Llanes says that the trade union movement is operating in a framework that does not allow it to stay in touch with the nation's economic, social, and political reality, which is why it has not presented alternatives for resolving conflicts.

"This crisis is reflected in the discord and fragmentation that have pitted the workers against their fellow workers. As a result, the trade unions are the losers."

Peru

Roundup of Economic Reports

PY3006230494

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 30 June.

On 19 June President Alberto Fujimori said that the privatization of public companies will yield more than $3 billion this year, as compared with the $1 billion that was projected for collection during this period. He noted that state-owned enterprises had a $2.5 billion deficit per year, and that "the money earmarked for the construction of schools, highways, and communications systems was used to cope with this deficit." He pointed out that the government obtained $103 million with the auction of 48.87 percent of the shares of the Cementos Lima company. (Lima EL PERUANO in Spanish 20 Jun 94 p A2)

The Central Reserve Bank reported that the net international reserves, as registered on 14 June, have risen by $2.093 billion so far this year, raising the cumulative net reserves to $4.794 billion, or $125 million more than in late May. (Lima EL COMERCIO in Spanish 21 Jun 94 p B7)

The National Tax Administration Superintendency reported that tax revenues amounted to 1.065 billion soles in May, an increase of 23.6 percent as compared

with the same month last year. Cumulative tax revenues total 5.293 billion soles for the first five months of the year, a real increase of 23.8 percent as compared with the same period last year. Income tax collection also increased 43.2 percent between January and May 1994 as compared with the previous year. (Lima LA REPUBLICA in Spanish 23 Jun 94 p 19)

The Netherlands has granted $35 million in aid to Peru for 1994 programs. This money will be used to improve the living conditions of low income people through the implementation of projects for the socioeconomic integration of small farmers, the reduction of poverty, and support for the informal sector and for small industry. These development programs are being carried out in Puno, Cusco, and Arequipa Departments, in Lima, and in the northeastern region of Maranon. (Lima EL PERUANO in Spanish 18 Jun 94 p A3)

British Ambassador to Peru Donald Haskell reported on 17 June that Great Britain will grant $10 million in aid annually to Peru to implement health and educational projects. (Lima LA REPUBLICA in Spanish 18 Jun 93 p 8)

Augusto Mouchard Ramires, superintendent of the Pension Fund Administration Companies, AFP, has reported that the AFP has been consolidated one year after the system was implemented. Contributions from the 885,000 APF members total 264 million soles. He made it clear, however, that the number of members represents only 10 percent of the economically active population estimated for 1993. (Lima LA REPUBLICA in Spanish 19 Jun 94 p 11)

Uruguay

Roundup of Economic Reports

PY3006225794

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 30 June.

Javier de Haedo, Planning and Budget Office director, has told BUSQUEDA that during the first quarter of 1994 the gross domestic product increased by 1 percent, if the effects of the strike at the National Administration of Fuels, Alcohol, and Portland Cement (ANCAP) are not taken into account. De Haedo said that "the Uruguayan economy has grown in the past 15 consecutive quarters," proving "that we are not in a recession." De Haedo also noted that the growth rate could have been larger had it not been for the strike at ANCAP and the drop in electricity sales to Argentina, as tourism grew by a healthy 7.9 percent. (Montevideo BUSQUEDA in Spanish 23 Jun 94 p 31)

The Uruguayan Central Bank reported this week that during 1993 the Available Gross National Income, YNBD, grew by 2.45 percent, consumption expanded by 3.3 percent, and internal savings dropped by 3.5 percent. The report says that investments, however, continued to grow for the third consecutive year. The report adds that in 1993 Uruguayans saved 11.5 percent of their income, a drop from the savings rate of 12.2 percent in 1992 and 14.4 percent in 1991. The report says that in 1993 investments totaled 1.8 billion pesos, which represents an increase of 11.8 percent in real terms compared with 1992. Out of the total invested, 54 percent was in construction, 44 percent in machinery and equipment, and 2 percent in permanent plantations and crops. (Montevideo BUSQUEDA in Spanish 23 Jun 94 pp 34-35)

The National Statistics Institute, INE, reported on 20 June that family incomes in rural towns grew by 9 percent in the first quarter of 1994 as compared to the same period last year, adding, however, that rural incomes remain 40 percent below the earning levels in the capital. The report says that in rural towns unemployment during the first quarter increased to 8.4 percent, while the actively employed population rate stood at 54 percent. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 21 Jun 94 p 8)

On 22 June a private consortium called Pluriconsorcio de Navegacion, formed with Uruguayan, Argentine, and Brazilian capital, purchased 51 percent of the Uruguayan National Airlines, PLUNA. The consortium paid an initial contribution of $2 million in cash to the state, and signed an obligation to paid off all company debts. The new PLUNA, Inc., which is still 49 percent state owned, will immediately expand its services to Madrid, Tel Aviv, Miami, and New York. The deal, however, was rejected by the PLUNA workers union. (Montevideo LA MANANA in Spanish 23 Jun 94 p 9)

Venezuela

Decree 248 Places Financial System Under State Control

PA3006125294 Caracas Union Radio Network in Spanish 1100 GMT 30 Jun 94

[From "Union Radio News" newscast]

[Text] The Council of Ministers approved early this morning a decree placing the financial system under the control of the Venezuelan state through an Emergency Board.

Guillermo Alvarez Bajares, minister of the Central Information Office [OCI], announced Decree No. 248, which states that the aforementioned Emergency Board is empowered to establish a special supervision and control regimen at financial institutions and to decide if the state will purchase the stock of those banks that do not comply with the imposed norms and guidelines.

The Emergency Board may also remove bank boards of directors, suspend and revoke all authorizations to

operate, and appoint an official with veto authority who will make sure the norms are complied with.

The measure is intended to end the country's critical financial situation. The decree is based on a de facto nationalization as recognized by the head of the OCI.

Text of Decree 248

PA3006235094 Caracas EL UNIVERSAL in Spanish 30 Jun 94 p 2-1

["Text" of Decree 248 issued by President Rafael Caldera at a Council of Ministers meeting in Caracas on 29 June]

[Text] The president of the Republic, Rafael Caldera, being of sound mind and body, and according to the Decree 241 dated 27 June 1994 and published in the Official Gazette of the Republic of Venezuela on that same day, at a meeting of the Council of Ministers,

Whereas,

The seriousness of the crisis faced by the financial system requires that the executive branch adopt a number of special measures to correct the observed irregularities and to reestablish the normal functioning of the system;

Whereas,

It is necessary that the state consolidate management and operational control of the policies and measures designed to reestablish the stability of the financial system;

Whereas,

The state's assumption of operational control of the national financial system is a legitimate guarantee for the deposits made at banks and other credit institutions;

Establishes the following guidelines aimed at guaranteeing the stability of the financial system and protecting depositors:

Article 1. A Board that shall be the organization to control the financial system is hereby created to attend to the financial emergency. The finance minister shall head the Board, which shall comprise the Central Bank of Venezuela (BCV) president, the Deposit Guarantee and Banking Protection Fund (Fogade) president, the superintendent of banks, and three other people appointed by the president of the Republic. One of these people shall serve as the executive director of the Board. The Board's decisions shall be based on a majority vote.

Article 2. The Financial Emergency Board shall take on all of the responsibilities conferred upon the Superior Council of the Superintendency of Banks and other financial institutions. It shall also have the authority to make all types of decisions, the implementation of which the law requires prior consultation with the BCV, and to adopt any other measures relevant to resolving the financial emergency.

Article 3. The Financial Emergency Board shall establish a special supervision and control system to which all financial institutions must acquiesce. To this effect, the Board shall be able to modify the dates established by the General Banks Law and other financial institutions in order to adjust the aforementioned law.

Article 4. Those financial institutions that fail to follow the rules and regulations established in accordance with Article 3 will be subjected to measures that will be implemented by the Financial Emergency Board. In addition to what has been established by law, these measures will consist of the removal of all or some of the directors or managers of the respective financial group, state acquisition of the shares forming the capital stock, the suspension and revocation of the license to operate, and the appointment of an official to supervise the observance of the measures adopted by the Board. This official will participate in management board meetings or any other committee meetings with the right to veto all decisions, and he will proceed to retain any technical or auditing counsel deemed appropriate. The financial institutions will be bound to place all documents, records, and, in general, all information necessary for conducting business at the disposal of the official appointed as established in this article.

Article 5. In order to carry out its responsibilities, the Financial Emergency Board will be able to engage in cooperation agreements with any public administration agency

Article 6. The financial institutions must transfer the public's deposits to those financial institutions specified by the Board. These deposits will be guaranteed by the Republic. In order to ensure the objectives established in this article, the Board will implement all operational mechanisms that may be deemed appropiate. Regarding any institution that receives, as per this mechanism, funds originating from any other financial institution, the Board will designate an official with the same authority conferred by Article 4 to the official included in that article.

Article 7. As long as the emergency continues, the BCV will be allowed to extend to Fogade and all other financial institutions covered by the special supervision and control measures outlined in Articles 3 and 4 the necessary credit assistance to ensure the effective operation of these institutions, as well as to ensure the operation of the financial system. In this respect, the BCV will grant this assistance under terms and conditions established by its Board of Directors. In any case, assistance must be extended to those financial institutions observing the special measures established in this decree.

Article 8. The Board will only be held responsible for acts of bad faith intended for personal gain or for gain by a third party.

Article 9. The Emergency Financial Board will have broad powers to regulate the interbank market and to utilize available funds from this market to attend to the financial emergency.

Issued in Caracas on 29 June 1994—the 184th year of independence and the 135th year of the Republic.

Caldera Asks Legislative Blocs To Back Reforms

PA3006150194 Caracas Union Radio Network in Spanish 1100 GMT 30 Jun 94

[From the "Union Radio News"]

[Text] President Caldera has asked the National Convergence and MAS [Movement Toward Socialism] legislative blocs for political support to approve reforms to a number of laws during the extended congressional sessions.

A group of legislators proposed the nationalization of banks if the crisis in that sector continues. MAS leader Orlando Fernandez and National Convergence leader Jose Miguel Uzcategui, who served as spokesmen after the meeting, said the president also asked them to talk with Democratic Action, Copei [Social Christian Party], and the Radical Cause Party to reach a consensus to approve a number of bills, including some on banking crimes to prevent bankers from enjoying privileges when penalties are set and to prevent the setting of bail in favor of those who were responsible for the collapse of Banco Latino. Reforms to the Central Bank law, the banking law, the financial emergency law, Commerce Code, and Penal Code, among others, were also proposed. This is what Jose Miguel Uzcategui, leader of the National Convergence bloc, said:

[Begin Uzcategui recording] Of course, we know there was an unfortunate experience with the Recadi [Differential Exchange System] through which the exchange system was turned into a source of corruption. We trust that the president and his administration will choose people of unquestionable respectability to oversee that process. In addition, the best computer, technical, and administrative resources, such as in the petroleum industry, will be used to process all the information that banks have many times refused to supply. Everything must be aboveboard. The priorities on imports must be clearly established. We cannot continue to permit $10 billion, $11 billion, or $12 billion worth of imports a year. The country needs to regulate its imports. The country needs to tell our creditors that we cannot continue paying them 30 percent of our foreign exchange revenue when we know that the debt has been paid many times over and with the interest we are always in debt. That is the reason for this new proposal to the country, which includes a reformulation of the economic policies and a rectification of the policies that did not work. It especially includes a call to all responsible officials at any level and ministers. Those who are not willing to assume responsibility for the controls the country is demanding should resign. They should leave. We want people who are willing to achieve the objectives sought in the control measures. [end recording]

As for price controls, it was proposed that the price of regulated products be reduced to eliminate the price gouging that has existed these past months. In this regard, Orlando Fernandez, leader of the MAS bloc at the Senate, said:

[Begin Fernandez recording] I stated that price controls must go hand in hand with the reduction of current prices because the prices were raised excessively due to price gouging. [end recording]

Finance Minister Discusses Emergency Measures

PA3006175194 Caracas Venezolana de Television Network in Spanish 1616 GMT 30 Jun 94

[News conference by Finance Minister Julio Sosa Rodriguez with unidentified reporters at Miraflores Palace in Caracas—live]

[Text] [Reporter] We are now at Miraflores Palace. The finance minister will explain the scope of the decision made by the Council of Ministers last night to create an Emergency Board to deal with the financial crisis. What is the scope of the decision, minister?

[Sosa] I believe two very important decisions have been made in the last three days. One was on the need to establish price controls. Naturally, foreign exchange transactions will resume on 6 July. This control mechanism is temporary. The national government would have preferred not to resort to this measure, but in view of the wave of destabilizing rumors, the speculation, and the way our currency was being devalued, which adversely affects the Venezuelan people's cost of living, we had no option other than this temporary measure. In addition, we have also had to face a crisis in the financial and banking sectors. It is a crisis that has probably been building for the past 10 years due to a lack of supervision and good management in the sector.

The crisis naturally requires a huge coordination effort from the state and the banking sector. The state requires a more consistent plan in the decisionmaking bodies. What are the decisionmaking bodies? They are the Venezuelan Central Bank and the General Bank Superintendency. The members of the Emergency Board that has been created are the president of the Venezuelan Central Bank, the finance minister, the general bank superintendent, the president of Fogade [Deposit Guarantee and Banking Protection Fund], and three officials appointed by the president of the Republic. It is a temporary Emergency Board so we may better coordinate the effort of all these institutions in resolving this financial situation.

The most important thing about this decision is that we have issued a resolution stating that banks will all remain open and, by means of this Emergency Board, we are going to coordinate the cash flow that may go from one bank to another if a bank reports an unusual money withdrawal.

When a bank is asked to funnel cash flows to banks that may have experienced some type of pressure because of rumors, as has happened in the last few days, the cash flow will be guaranteed by the Republic.

I can tell you that these are temporary measures to resolve the emergency. The measures are meant to protect all depositors and strengthen the system. We have also established a series of guidelines in the bank and financial institution laws enacted on 1 January. However, we are going to accelerate the application of the law so banks can become solvent as soon as possible. I trust there will be close cooperation among the banking sector, the Venezuelan Central Bank, and the government and that together we can overcome this crisis for the benefit of all depositors and the country in general.

[Reporter] [Question indistinct].

[Sosa] I would like one question at a time, please. I can tell you that banks will operate normally during this time, and there will be no problems as far as bank closures or bank operations.

[Reporter] Mr. Minister, when will the final quotation of the dollar be known?

[Sosa] Well, I imagine the Central Bank will have to announce it before Wednesday, when exchange operations will resume.

[Reporter] And who are the members of the Foreign Exchange Administration Board?

[Sosa] No final decision has been made yet. I think the names will be announced today by the Central Bank or the state and Central Bank together.

[Reporter] Mr. Minister, when you entered Miraflores Palace you said it was incorrect to call the measures adopted by the Council of Ministers nationalization. Could you explain if this is really a nationalization or if these measures, directed at giving greater control to the state, may lead to nationalization of the banks?

[Sosa] No. First, some people have called these measures a nationalization. That is not the case. Others have described the measures as placing banks under state control, and that is not the case, either. These measures provide the government with greater control over banks. If some pre-established goals or objectives are not met, this may lead to nationalization or an intervention at some of those banks.

[Reporter] What [words indistinct] established?

[Sosa] It is a program in which all goals will be met in four years.

[Reporter] Mr. Minister, what is the difference between the goals and bank nationalization if a board consisting of government officials will take the helm of the financial system?

[Sosa] Pardon me, the government has the authority to appoint a supervisor in case one of the banks needs to resort to another bank to improve its liquidity. If a bank needs to come to the aid of another bank in the system to restore the latter's liquidity and provide normal service to the public, the Emergency Board is empowered to appoint a supervisor to oversee all operations of the failing bank. The board may even appoint auditors to see that the bank which is receiving resources guaranteed by the Republic uses them properly.

Government Appoints Financial Emergency Board

PA3006131394 Madrid EFE in Spanish 1242 GMT 30 Jun 94

[Text] Caracas, 30 Jun (EFE)—The Venezuelan Government announced today the appointment of a Financial Emergency Board which will assume control of the country's commercial banks.

The board members will be the presidents of the Venezuelan Central Bank and of the General Bank Superintendency, a representative of the Finance Ministry, and three other officials who will be appointed today.

Financial Reforms Commissioner Reportedly Resigns

PA3006144794 Caracas Union Radio Network in Spanish 1100 GMT 30 Jun 94

[Report by Vicente Briceno from the "Union Radio News" newscast]

[Text] Government sources considered late last night the resignation of Commissioner for Financial Reforms Gustavo Roosen a fait accompli. Roosen reportedly resigned from his post due to pressures from the Congress of the Republic. The news appeared in the printed media today; however, it noted that the president of the Republic did not finally accept Roosen's resignation.

Rumors from the Miraflores Palace have it that, even though President Rafael Caldera reportedly did not agree with Roosen's resignation, the high-ranking official maintained his position because the political factions in Congress are reportedly seeking agreements to ask for his head. Insistent rumors in Miraflores Palace have it that the resignation was forced after a form of agreement was reached reportedly negotiating a censorship vote on the finance minister in exchange for Roosen's departure from the government. The comment was made when President Caldera met with representatives of the Movement Toward Socialism and National Convergence in the Boyaca Room.

There were also comments about Venezuelan Central Bank President Antonio Casas Gonzalez's threat to resign from his post, which he made on Tuesday night following the president's proposal that the bank of issue, along with the administrative board created for such a task, handle the country's foreign exchange.

Former Coupist Chavez on Caldera Measures

PA3006143894 Caracas EL NACIONAL in Spanish 29 Jun 94 p D-2

["Exclusive" report by Cesar Alvarez]

[Text] Barinas—I regret that controls are being implemented on foreign exchange after almost $5 billion has left the country. It is not justified either that the government is suspending constitutional guarantees. With this action the government is laying the groundwork to attack the masses and to quell their protests.

This was stated by Commander Hugo Chavez Frias, when asked about the measures announced by President Rafael Caldera. He added that "the suspension of guarantees also seeks to create the basis to persecute organizations like the Bolivarian Movement."

The government has not been able to satisfy the needs of the people, who took the current president to the Miraflores Palace. He stated that ever since President Caldera took office all he has done is announce spasmodic and incoherent plans that have failed in the end. He said that the Roosen and Sosa plans are evidence of this. These experiences, he added, are what make us believe that the measures announced Monday night, just as the previous ones, will not lead anywhere. In the meantime, dire poverty, lack of basic services, and lack of medical assistance continue to grip the Venezuelan masses, without any sign of a solution to their problems.

Regarding the suspension of constitutional guarantees on freedom of transit, Chavez Frias said that the people lost that right a long time ago, because they don't have the means to mobilize anyway. The suspension of the right of personal freedom is not justified either, because in this country there are illegal raids at any time. Homes are raided, citizens rights' are violated in different ways, and the right to life has been suspended in this country.

What cannot be explained, he said, is that President Caldera is not making use of Article 99 of the Constitution to expropriate the cattle farms that Carlos Andres Perez has in Barinas and in other parts of the country, as well as properties of other former government leaders who accumulated wealth through corruption.

He charged that Defense Minister General Montero Revette has ordered increased vigilance on the activities of the Bolivarian Movement. Also, according to reports from Caracas, a series of raids were staged there, and students as well as members of our movement were arrested. He said he had contacted the Interior Minister to seek reassurance that the government will not take advantage of the suspension of guarantees to persecute members of the Bolivarian Movement.

He deplored the incident in Carabobo field where he was denied entry to attend the 24 June commemorative ceremony. He condemned the fact that a soldier had threatened to "shoot him" if he stayed there, because the Defense Ministry had prohibited him and other Bolivarian members from attending the event.

He announced that on 5 July he will attend the activities commemorating Independence Day accompanied by a prosecutor.

IDEC President Issues Warning to Speculators

PA0107040094 Caracas Union Radio Network in Spanish 2200 GMT 30 Jun 94

[Report by Cecilia Cayone from the "Union Radio News" newscast]

[Text] Lorenzo Tovar, president of the Consumer Defense and Education Institute [IDEC], has announced that his agency will take advantage of the suspension of Constitutional guarantees to penalize speculators.

The announcement was made by IDEC President Tovar at the National Congress, where he was summoned by the Education Subcommittee which is responsible for reviewing increases in school tuition fees. Tovar also said he was preparing to present before Congress a bill to reform the Consumer Law, noting that the proposal has been delayed because of plans to include some modifications.

Meanwhile, the IDEC president took advantage of the occasion to issue a warning to those individuals who might be tempted to get involved in speculation activities.

[Begin Tovar recording, in progress] ...only that constitutional guarantees are suspended to crack down on a few speculators and hoarders. I believe that what the country needs and demands are decisive, immediate, and forceful actions that will once and for all confront the speculation and profiteering activities undermining the harmony of Venezuelan society. [end recording]

In discussing the summons to review possible increases in school tuition fees, Tovar unequivocally stated that in no way can fees be raised at this time.

Superintendency Reports on Financial Assets

PA3006190994 Paris AFP in Spanish 1816 GMT 30 Jun 94

[Excerpt] Caracas, 30 Jun (AFP)—According to a General Bank Superintendency bulletin released this Thursday, the 102 Venezuelan banking and financial institutions have joint assets worth over $10.65 billion (2.13 trillion bolivares). Of that total, $8.5 billion (1.7 trillion bolivares) belong to commercial banks and $1.055 billion (211 billion bolivares) to financial institutions. Another $395 million (79 billion bolivares)

belong to mortgage banks and $150 million (30 billion bolivares) to financial loan institutions. [passage omitted covered by previously filed material]

Agriculture Official on Dollar Stabilization

PA3006043794 Caracas Union Radio Network in Spanish 2200 GMT 29 Jun 94

[From the "Union Radio News" newscast]

[Text] Noel Lezama, president of the Fund for Agricultural Loans, has said the stabilization of the dollar will guarantee the food supply, because the economy will improve as a result of lower interest rates and because there will be more money available for loans for the agricultural sector. He reported that, as of 15 May, the oustanding debts of farmers were refinanced with a 15-year term and an interest rate 40 percent below that of the current rate. Lezama also said that, in addition to improving the economy, this measure will ensure the supply of up to 60 percent of the cereals and oilseeds required by the country.

[Begin Lezama recording] If the suppression of zero-coupon bonds is increased, the money will remain in the country. This will lead to lower interest rates and to an improved situation within the agricultural sector. This sector will surely benefit. If there is a guaranteed market for its products, and if by way of price controls there is an established price for its products, it is not at all far-fetched to think that we can meet the nation's food demands. [end recording]

Expectations for improved production will not only benefit the commercial sector. Rural workers also will be able to buy items required for production at affordable prices.

Workers Group Criticizes Size of Subsidies

PA0107040494 Caracas Union Radio Network in Spanish 2200 GMT 30 Jun 94

[From the "Union Radio News" newscast]

[Text] The Confederation of Venezuelan Workers [CTV] and Prosecutor General Ivan Dario Badell disagree on the value of the subsidies decreed by the government for public and private workers.

Badell contends that the food and transportation subsidies decreed for people with monthly salaries below 45,000 bolivares is very positive. The measure is beneficial for workers, he said.

[Begin Badell recording] The executive's decision is positive, because the workers' economic situation is very trying. [end recording]

Acting CTV President Angel Serpa Miraval, however, argues that the 6,000-bolivar subsidy fails to meet the workers' true needs.

[Begin Serpa Miraval recording] Considering the problem, we think the approval of these subsidies is the least the government could have done, and even this fails to meet the workers' expectations. [end recording]

Serpa Miraval says the subsidies should have exceeded 9,000 bolivares and should have been computed as a percentage of salary.

Increased Trade With Colombia Reported

PA2806151094

[Editorial report] Hamburg DPA in Spanish at 1815 GMT on 21 June reports the official news agency VENPRES reported today Venezuelan-Colombian trade grew by 128 percent in 1993 compared to 1992. It added Colombia is the main market for Venezuelan nonpetroleum exports, which totaled approximately $1.6 billion in 1993.